UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2024

Commission File Number: 001-41072

Iris Energy Limited

(Translation of registrant's name into English)

Level 12, 44 Market Street
Sydney, NSW 2000 Australia
+61 2 7906 8301
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

EXPLANATORY NOTE

Results of Operations

On May 15, 2024, Iris Energy Limited (the "Company") released information regarding its financial results for the three and nine months ended March 31, 2024. Copies of the Company's press release, management presentation, unaudited interim consolidated financial statements and management's discussion and analysis of financial condition and results of operations are furnished hereto as Exhibits 99.1, 99.2, 99.3 and 99.4, respectively.

Expansion Update

On May 15, 2024, the Company also released a press release providing an update on its expansion.

The Company's operating hashrate has increased to 10 EH/s, and the Company's previously announced 2024 expansion plan to 20 EH/s has been increased to 30 EH/s. This additional growth is enabled through amended and new agreements with Bitmain, along with the construction of an additional 50MW of data center capacity at Childress in 2024.

A copy of the Company's press release is furnished hereto as Exhibit 99.5

INCORPORATION BY REFERENCE

This Report on Form 6-K (other than the information contained in the press releases furnished as Exhibits 99.1 and 99.5 to this Report on Form 6-K and the information contained in the management presentation furnished as Exhibit 99.2 to this Report on Form 6-K) shall be deemed to be incorporated by reference into the registration statements on Form S-8 (File Nos. 333-261320, 333-265949, 333-269201 and 333-273071) and the registration statements on Form F-3 (File Nos. 333-267568, 333-274500 and 333-279427) of Iris Energy Limited and to be a part thereof from the date on which this report is filed to the extent not superseded by documents or reports subsequently filed or furnished.

The information contained in the press releases furnished as Exhibits 99.1 and 99.5, and the management presentation furnished as Exhibit 99.2 to this Report on Form 6-K shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in any such filing.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release Announcing Third Quarter FY24 Results, dated May 15, 2024
99.2	Management Presentation, dated May 15, 2024
99.3	Unaudited Interim Consolidated Financial Statements for the Three and Nine Months ended March 31, 2024
99.4	Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Nine Months ended March, 31, 2024
99.5	Press Release Announcing Increased Expansion Plans, dated May 15, 2024
101	The following materials from this Report are formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Unaudited interim consolidated statements of profit or loss and other comprehensive income, (ii) Unaudited interim consolidated statements of financial position, (iii) Unaudited interim consolidated statements of changes in equity, (iv) Unaudited interim consolidated statements of cash flows and (v) Notes to the unaudited interim consolidated statements
104	Cover Page Interactive Data File – The cover page from this Report on Form 6-K is formatted in iXBRL (included as Exhibit 101)

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 hereunto duly authorized.

	Iris Energy Limited
Date: May 15, 2024	By: /s/ Daniel Roberts
	Daniel Roberts Co-Chief Executive Officer and Director

News Release

IREN Reports Third Quarter FY24 Results

Achieved record revenue, Adjusted EBITDA and operating cashflow

$47.9 million operating cash inflow in FY24 YTD

Quarterly NPAT of $8.6 million

Expansion to 30 EH/s in 2024

SYDNEY, AUSTRALIA, May 15, 2024 (GLOBE NEWSWIRE) – IREN (Iris Energy Limited) (NASDAQ: IREN) (together with its subsidiaries, "IREN" or "the Company"), a leading next-generation data center business powering the future of Bitcoin, AI and beyond, today reported its financial results for the three-months and nine-months ended March 31, 2024. All $ amounts are in United States Dollars ("USD") unless otherwise stated.

"We are pleased to report our third quarter FY24 results, where we achieved record revenue and Adjusted EBITDA. Additionally, we have generated a record $47.9 million in operating cashflow so far this financial year, reflecting the quality of our underlying operations", said Daniel Roberts, Co-Founder and Co-CEO of IREN.

"Our team continues to execute, achieving our 10 EH/s milestone ahead of schedule and now increasing our 2024 expansion plans from 20 EH/s to 30 EH/s. We believe the strategic investments we have made in land, power and infrastructure provide a clear pathway to industry leadership".

Third Quarter FY24 Results

- Bitcoin mining revenue of $53.4 million, as compared to $42.0 million in the second quarter of fiscal year 2024, driven by growth in operating hashrate and higher Bitcoin prices
- Net profit after income tax of $8.6 million, as compared to a loss of $5.2 million in the second quarter of our fiscal year 2024
- AI Cloud Services revenue of $0.6 million, following the commissioning of 248 NVIDIA H100 GPUs during the quarter for our customer, Poolside AI, a leading AI company
- Mined 1,003 Bitcoin, as compared to 1,144 Bitcoin in the second quarter of our fiscal year 2024. Lower Bitcoin production was primarily driven by higher global hashrate rate during the period
- Net electricity costs of $19.4 million, as compared to $16.1 million in the second quarter of our fiscal year 2024, primarily driven by an increase in operating hashrate in the quarter[1]
- Other costs of $12.9 million, as compared to $12.0 million in the second quarter of fiscal year 2024[2]
- Adjusted EBITDA of $21.8 million, as compared to $13.9 million in the second quarter of our fiscal year 2024[3]
- Year to date operating cash inflow of $47.9 million, as compared to an outflow of $1.0 million in the nine-months ended March 31, 2023
- Cash and cash equivalents of $259.7 million as of March 31, 2024 and no debt facilities[4]

1 Net electricity cost is a non-IFRS metric. See page 3 for a reconciliation to the nearest IFRS metric.
2 Other costs exclude one-off other expense items. See page 3 for a reconciliation to the nearest IFRS metric.
3 Adjusted EBITDA is a non-IFRS metric. See page 3 for a reconciliation to the nearest IFRS metric.
4 Reflects USD equivalent, unaudited cash and cash equivalents as of March 31, 2024 and April 30, 2024 respectively.

Recent Operational Highlights

Bitcoin Mining

- Operating capacity currently 10 EH/s (May 2024) vs. 5.6 EH/s (December 2023)

- 2024 expansion plans increased to 30 EH/s

  - Secured latest-generation Bitmain S21 Pro miners with nameplate efficiency of 15 J/TH
  - Upon completion, nameplate fleet efficiency of 16 J/TH and indicative electricity cost per Bitcoin mined of $17k[5]
  - Funding through existing cash and other sources[6]

- Additional Bitmain S21 Pro miner purchase options (10 EH/s) supporting expansion pathway to 40 EH/s in 1H 2025.

AI Cloud Services

- 816 NVIDIA H100 GPUs

  - Upsized (doubled to 504 GPUs) and extended our AI Cloud Services agreement with Poolside AI
  - Testing on-demand market for our AI Cloud Services

Data Centers

- 510MW of planned data center capacity by the end of 2024

  - Increase from previous planned data center capacity of 460MW, enabled partly through a new substation design, as well as ongoing improvement and optimization of the Company's construction and procurement process.

- 2,160MW of secured power capacity

Corporate

- $321.5 million cash and cash equivalents as of April 30, 2024[4]
- The Third Quarter FY24 Results webcast will be recorded, and the replay will be accessible shortly after the event at *https://iren.com/investor/events-and-presentations*

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[5] Cost per bitcoin mined represents indicative electricity cost per bitcoin mined assuming 30 EH/s, nameplate fleet efficiency of 16 J/TH, weighted average power cost of $0.037/kWh ($0.045/kWh in BC and $0.033/kWh in Texas – latter calculated using actual monthly average net power price at Childress during FY24 to date (i.e. July 2023 to March 2024), including ERS revenue and adjusted for now eligible 4CP benefit), current global hashrate of 595 EH/s, block reward of 3.125 BTC per block and transaction fees of 0.3 BTC per block.
[6] The Company continues to consider a range of funding opportunities such as equity, corporate debt and equipment financing.

Non-IFRS metric reconciliation

Adjusted EBITDA Reconciliation (USD$m) [1]	**3 months ended Mar 31, 2024**	**3 months ended Dec 31, 2023**
Bitcoin mining revenue	53.4	42.0
AI Cloud Services Revenue	0.6	-
Other income	0.4	0.5
Electricity charges	(19.8)	(16.7)
Realized gain/(loss) on financial asset	0.1	0.1
Other costs	(12.9)	(12.0)
Adjusted EBITDA	**21.8**	**13.9**
Adjusted EBITDA Margin	**40%**	**33%**
Reconciliation to consolidated statement of profit or loss		
Add/(deduct):		
Reversal of impairment of assets	-	0.1
Share-based payments expense - $75 exercise price options	(2.9)	(3.0)
Share-based payments expense – other	(2.9)	(2.9)
Foreign exchange gain/(loss)	4.7	(4.7)
Other expense items[2]	(0.2)	(2.5)
Unrealized gain/(loss) on financial asset[3]	(1.1)	(0.3)
EBITDA	**19.4**	**0.6**
Other finance expense	(0.1)	0.0
Interest income	1.5	0.7
Depreciation	(8.7)	(7.6)
Profit/(loss) before income tax for the period	**12.1**	**(6.3)**
Income tax (expense)/benefit	(3.5)	1.1
Profit/(loss) after income tax for the period	**8.6**	**(5.2)**

1) For further detail, see our unaudited interim financial statements for the nine months ended March 31, 2024, included in our Form 6-K filed with the SEC on May 15, 2024.
2) Other expense items include one-off professional fees including legal fees.
3) Unrealized loss on financial asset represents the change in the fair value of the financial asset recorded in relation to electricity purchased for future usage periods.

Reconciliation of Electricity charges to Net electricity costs (USD$m)	**3 months ended Mar 31, 2024**	**3 months ended Dec 31, 2023**
Electricity charges	(19.8)	(16.7)
Add/(deduct) the following:		
Realized gain/(loss) on financial asset	0.1	0.1
ERS revenue (included in Other income)	0.4	0.5
ERS fees (included in Other operating expenses)	(0.0)	(0.0)
Net electricity costs	**(19.4)**	**(16.1)**

Forward-Looking Statements

This investor update includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or IREN's future financial or operating performance. For example, forward-looking statements include but are not limited to the Company's business strategy, expected operational and financial results, and expected increase in power capacity and hashrate. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "may," "can," "should," "could," "might," "plan," "possible," "project," "strive," "budget," "forecast," "expect," "intend," "target", "will," "estimate," "predict," "potential," "continue," "scheduled" or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

These forward-looking statements are based on management's current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause IREN's actual results, performance or achievements to be materially different from any future results performance or achievements expressed or implied by the forward looking statements, including, but not limited to: Bitcoin price and foreign currency exchange rate fluctuations; IREN's ability to obtain additional capital on commercially reasonable terms and in a timely manner to meet its capital needs and facilitate its expansion plans; the terms of any future financing or any refinancing, restructuring or modification to the terms of any future financing, which could require IREN to comply with onerous covenants or restrictions, and its ability to service its debt obligations, any of which could restrict our business operations and adversely impact our financial condition, cash flows and results of operations; IREN's ability to successfully execute on its growth strategies and operating plans, including its ability to continue to develop its existing data center sites and to diversify into the market for high performance computing ("HPC") solutions, and in particular any current or future AI Cloud ("AI Cloud") Services we offer; IREN's limited experience with respect to new markets it has entered or may seek to enter, including the market for AI Cloud Services; expectations with respect to the ongoing profitability, viability, operability, security, popularity and public perceptions of the Bitcoin network; expectations with respect to the profitability, viability, operability, security, popularity and public perceptions of any current or future AI Cloud Services that IREN offers; IREN's ability to secure and retain customers on commercially reasonable terms or at all, particularly as it relates to its strategy to expand into AI Cloud Services; IREN's ability to manage counterparty risk (including credit risk) associated with any current or future customers, including customers of our AI Cloud Services and other counterparties; IREN's ability to secure renewable energy, renewable energy certificates, power capacity, facilities and sites on commercially reasonable terms or at all; the risk that any current or future customers, including customers of our AI Cloud Services, or other counterparties may terminate, default on or underperform their contractual obligations; Bitcoin global hashrate fluctuations; delays associated with, or failure to obtain or complete, permitting approvals, grid connections and other development activities customary for greenfield or brownfield infrastructure projects; our reliance on power and utilities providers, third party mining pools, exchanges, banks, insurance providers and our ability to maintain relationships with such parties; expectations regarding availability and pricing of electricity; IREN's participation and ability to successfully participate in demand response products and services and other load management programs run, operated or offered by electricity network operators, regulators or electricity market operators; the availability, reliability and/or cost of electricity supply, hardware and electrical and data center infrastructure, including with respect to any electricity outages and any laws and regulations that may restrict the electricity supply available to IREN; any variance between the actual operating performance of IREN's miner hardware achieved compared to the nameplate performance including hashrate; IREN's ability to curtail its electricity consumption and/or monetize electricity depending on market conditions, including changes in Bitcoin mining economics and prevailing electricity prices; actions undertaken by electricity network and market operators, regulators, governments or communities in the regions in which IREN operates; the availability, suitability, reliability and cost of internet connections at IREN's facilities; IREN's ability to secure additional hardware, including hardware for Bitcoin mining and any current or future AI Cloud Services it offers, on commercially reasonable terms or at all, and any delays or reductions in the supply of such hardware or increases in the cost of procuring such hardware; expectations with respect to the useful life and obsolescence of hardware (including hardware for Bitcoin mining as well as hardware for other applications, including any current or future AI Cloud Services IREN offers); delays, increases in costs or reductions in the supply of equipment used in IREN's operations; IREN's ability to operate in an evolving regulatory environment; IREN's ability to successfully operate and maintain its property and infrastructure; reliability and performance of IREN's infrastructure compared to expectations; malicious attacks on IREN's property, infrastructure or IT systems; IREN's ability to maintain in good standing the operating and other permits and licenses required for its operations and business; IREN ability to obtain, maintain, protect and enforce its intellectual property rights and confidential information; any intellectual property infringement and product liability claims; whether the secular trends IREN expects to drive growth in its business materialize to the degree it expects them to, or at all; the occurrence of any environmental, health and safety incidents at IREN's sites, and any material costs relating to environmental, health and safety requirements or liabilities; damage to our property and infrastructure and the risk that any insurance IREN maintains may not fully cover all potential exposures; ongoing proceedings relating to the default by two of IREN's wholly-owned special purpose vehicles under limited recourse equipment financing facilities; ongoing securities litigation relating in part to the default; and any future litigation, claims and/or regulatory investigations, and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom; IREN's failure to comply with any laws including the anti-corruption laws of the United States and various international jurisdictions; any failure of IREN's compliance and risk management methods; any laws, regulations and ethical standards that may relate to IREN's business, including those that relate to Bitcoin and the Bitcoin mining industry and those that relate to any other services we offer (such as AI Cloud Services), including regulations related to data privacy, cybersecurity and the storage, use or processing of information; our ability to attract, motivate and retain senior management and qualified employees; increased risks to our global operations including, but not limited to, political instability, acts of terrorism, theft and vandalism, cyberattacks and other cybersecurity incidents and unexpected regulatory and economic sanctions changes, among other things; climate change, severe weather conditions and natural and man-made disasters that may materially adversely affect our business, financial condition and results of operations; public health crises, including an outbreak of an infectious disease (such as COVID-19) and any governmental or industry measures taken in response; our ability to remain competitive in dynamic and rapidly evolving industries; damage to our brand and reputation; expectations relating to Environmental, Social and Governance issues or reporting; the costs of being a public company; and other important factors discussed under the caption "Risk Factors" in IREN's annual report on Form 20-F filed with the SEC on September 13, 2023 as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC's website at www.sec.gov and the Investor Relations section of IREN's website at https://investors.iren.com.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this investor update. Any forward-looking statement that IREN makes in this investor update speaks only as of the date of such statement. Except as required by law, IREN disclaims any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Financial Measures

This press release includes non-IFRS financial measures, including Net electricity costs, Adjusted EBITDA and Adjusted EBITDA Margin. We provide these measures in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

There are a number of limitations related to the use of Net electricity costs, Adjusted EBTIDA and Adjusted EBITDA Margin. For example, other companies, including companies in our industry, may calculate these measures differently. The Company believes that these measures are important and supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance.

EBITDA is calculated as our IFRS profit/(loss) after income tax expense, excluding interest income, finance expense and non-cash fair value loss and interest expense on hybrid financial instruments, income tax expense, depreciation and amortization, which are important components of our IFRS profit/(loss) after income tax expense. Further, "Adjusted EBITDA" also excludes share-based payments expense, which is an important component of our IFRS profit/(loss) after income tax expense, foreign exchange gains and losses, impairment of assets, certain other non-recurring income, loss on disposal of property, plant and equipment, gain on disposal of subsidiaries, unrealized fair value gains and losses on financial assets and certain other expense items.

Net electricity costs is calculated as our IFRS Electricity charges net of Realized gain/(loss) on financial asset, ERS revenue (included in Other income) and ERS fees (included in Other operating expenses).

About IREN

IREN is a leading next-generation data center business powering the future of Bitcoin, AI and beyond utilizing 100% renewable energy.

- Bitcoin Mining: providing security to the Bitcoin network, expanding to 30 EH/s in 2024. Operations since 2019.
- AI Cloud Services: providing cloud compute to AI customers, 816 NVIDIA H100 GPUs. Operations since 2024.
- Next-Generation Data Centers: 260MW of operating data centers, expanding to 510MW in 2024. Specifically designed and purpose-built infrastructure for high-performance and power-dense computing applications.
- Technology: technology stack for performance optimization of AI Cloud Services, Bitcoin Mining and energy trading operations.
- Development Portfolio: 2,160MW of secured power capacity across North America, >1,000 acre property portfolio and additional development pipeline.
- 100% Renewable Energy (from clean or renewable energy sources or through the purchase of RECs): targets sites with low-cost & underutilized renewable energy, and supports electrical grids and local communities.

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To keep updated on IREN’s news releases and SEC filings, please subscribe to email alerts at *https://iren.com/investor/ir-resources/email-alerts*.

Third Quarter FY 2024
Investor Update

Disclaimer

Forward-Looking Statements

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These forward-looking statements are based on management’s current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause IREN’s actual results, performance or achievements to be materially different from any future results performance or achievements expressed or implied by the forward looking statements, including, but not limited to: Bitcoin price and foreign currency exchange rate fluctuations; IREN’s ability to obtain additional capital on commercially reasonable terms and in a timely manner to meet its capital needs and facilitate its expansion plans; the terms of any future financing or any refinancing, restructuring or modification to the terms of any future financing, which could require IREN to comply with onerous covenants or restrictions, and its ability to service its debt obligations, any of which could restrict our business operations and adversely impact our financial condition, cash flows and results of operations; IREN’s ability to successfully execute on its growth strategies and operating plans, including its ability to continue to develop its existing data center sites and to diversify into the market for high performance computing (“HPC”) solutions, and in particular any current or future AI Cloud (“AI Cloud”) Services we offer; 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Bitcoin global hashrate fluctuations; delays associated with, or failure to obtain or complete, permitting approvals, grid connections and other development activities customary for greenfield or brownfield infrastructure projects; our reliance on power and utilities providers, third party mining pools, exchanges, banks, insurance providers and our ability to maintain relationships with such parties; expectations regarding availability and pricing of electricity; IREN’s participation and ability to successfully participate in demand response products and services and other load management programs run, operated or offered by electricity network operators, regulators or electricity market operators; the availability, reliability and/or cost of electricity supply, hardware and electrical and data center infrastructure, including with respect to any electricity outages and any laws and regulations that may restrict the electricity supply available to IREN; any variance between the actual operating performance of IREN’s miner hardware achieved compared to the nameplate performance including hashrate; IREN’s ability to curtail its electricity consumption and/or monetize electricity depending on market conditions, including changes in Bitcoin mining economics and prevailing electricity prices; actions undertaken by electricity network and market operators, regulators, governments or communities in the regions in which IREN operates; the availability, suitability, reliability and cost of internet connections at IREN’s facilities; IREN’s ability to secure additional hardware, including hardware for Bitcoin mining and any current or future AI Cloud Services it offers, on commercially reasonable terms or at all, and any delays or reductions in the supply of such hardware or increases in the cost of procuring such hardware; expectations with respect to the useful life and obsolescence of hardware (including hardware for Bitcoin mining as well as hardware for other applications, including any current or future AI Cloud Services IREN offers); delays, increases in costs or reductions in the supply of equipment used in IREN’s operations; IREN’s ability to operate in an evolving regulatory environment; IREN’s ability to successfully operate and maintain its property and infrastructure; reliability and performance of IREN’s infrastructure compared to expectations; malicious attacks on IREN’s property, infrastructure or IT systems; IREN’s ability to maintain in good standing the operating and other permits and licenses required for its operations and business; IREN ability to obtain, maintain, protect and enforce its intellectual property rights and confidential information; any intellectual property infringement and product liability claims; whether the secular trends IREN expects to drive growth in its business materialize to the degree it expects them to, or at all; the occurrence of any environmental, health and safety incidents at IREN’s sites, and any material costs relating to environmental, health and safety requirements or liabilities; damage to our property and infrastructure and the risk that any insurance IREN maintains may not fully cover all potential exposures; ongoing proceedings relating to the default by two of IREN’s wholly-owned special purpose vehicles under limited recourse equipment financing facilities;

ongoing securities litigation relating in
of resources, diversion of managemen
the anti-corruption laws of the United
laws, regulations and ethical standard
that relate to any other services we of
processing of information; our ability t
operations including, but not limited t
unexpected regulatory and economic s
disasters that may materially adversel
infectious disease (such as COVID-19)
rapidly evolving industries; damage to
costs of being a public company; and o
the SEC on September 13, 2023 as suc
www.sec.gov and the Investor Relatio

These and other important factors cou
investor update. Any forward-looking
by law, IREN disclaims any obligation t
whether as a result of new informatio

Non-IFRS Financial Measures

This investor update includes non-IFRS
these measures in addition to, and not
limitations related to the use of Net el
in our industry, may calculate these m
analysis of its results of operations an

EBITDA is calculated as our IFRS profit/
interest expense on hybrid financial in
profit/(loss) after income tax expense.
our IFRS profit/(loss) after income tax
disposal of property, plant and equipm
expense items. Net electricity costs is
Other income) and ERS fees (included

Industry and Statistical Data

This presentation includes industry dat
third-party studies and surveys, filings
surveys and industry feedback. Our ex
our ongoing analysis of prevailing mar
of future results. We undertake no ob
third-party websites. Industry publicat
to be reliable. Although we believe th
Industry data could be wrong becaus
complete certainty due to the limits
limitations and uncertainties. In additi
preparing the forecasts from the sour
have been subject to rounding adjustn

Strategic priorities for 2024

510MW next-generation data centers

>

30 EH/s

Bitcoin mining

Scale

AI Cloud Services

Acce

organi

01

Bitcoin Mining

30 EH/s plan in 2024

Strategic investments in land, power and infrastructure enable rap

30 **EH/s**

Large-scale miner

S21 **Pro**

Latest-gen fleet secured

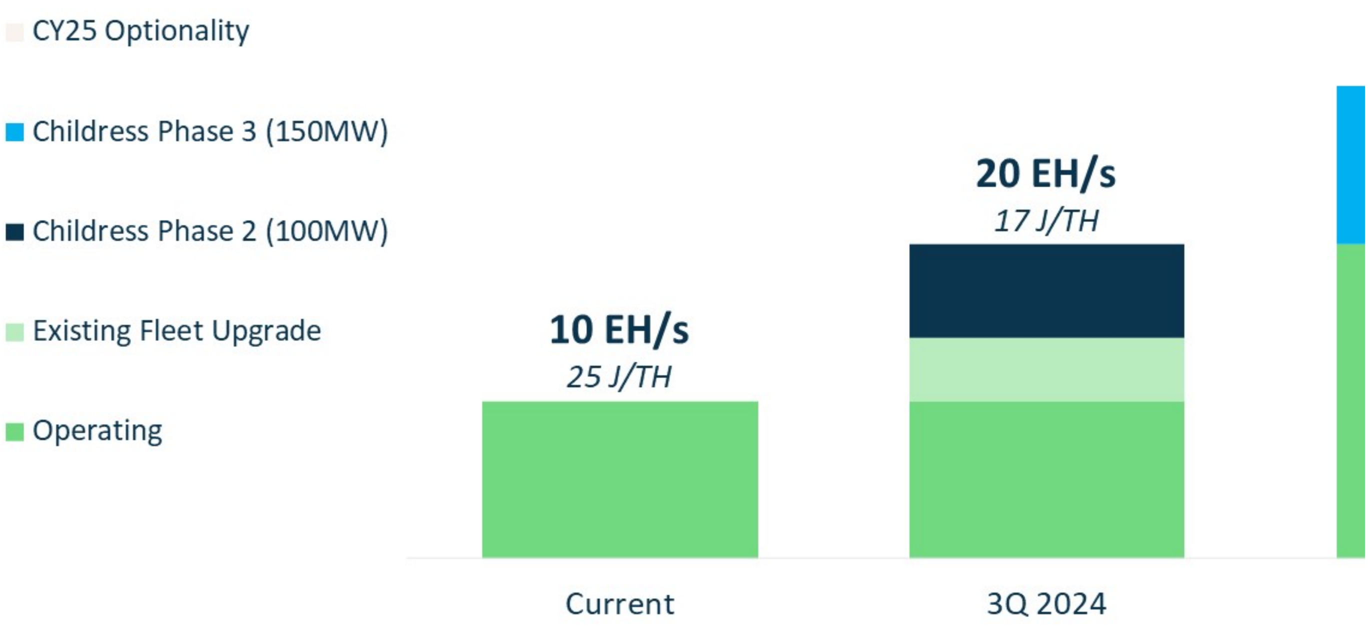
1

Leadir

Note: Metrics tabled above are on a post-30 EH/s expansion basis. Refer to assumptions and notes on page 23.

Pathway to industry leadership

Latest-generation Bitmain miners secured, single site expansion at



Capex & funding

Investing in accretive hashrate growth

Market is valuing 1 EH/s at ~$135m

(large-scale miners)

IREN is delivering 1 EH/s at ~$30m

(through organic growth)

Total Capex

Funding

Note: Refer to assumptions and notes on page 23. See also page 8 for further details on hardware agreements for latest-generation miners.

Bitmain contract summary

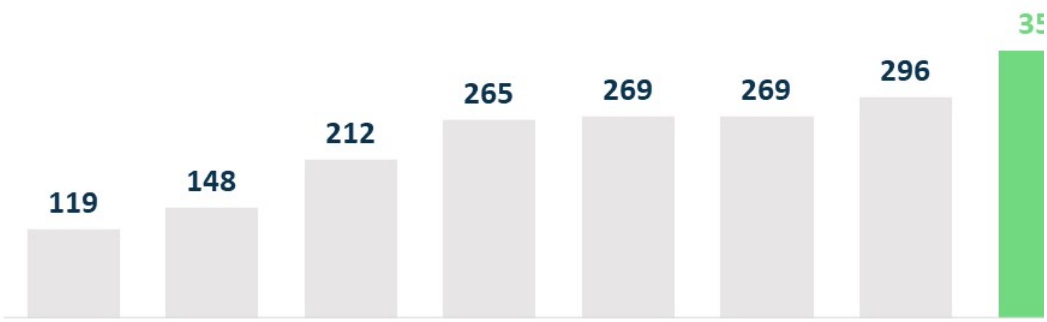
Hardware agreements for latest-generation miners

Bitmain Agreement	Hashrate	Nameplate Efficiency	Price	Opti
Existing Agreements	5 EH/s	19 J/TH	-	
Existing Option Agreement **now amended to**	48,000 T21 (9 EH/s) **or** 48,000 S21 Pro (11 EH/s)	19 J/TH **or** 15 J/TH	$14/TH **or** $18.9/TH	Se M
New Purchase Agreement	51,480 S21 Pro (12 EH/s)	15 J/TH	$15.1/TH, plus $3.8/TH deferred	
New Option Agreement	51,480 S21 Pro (12 EH/s)	15 J/TH	$18.9/TH	M
Total	**40 EH/s**	**15 J/TH**		

Peer landscape

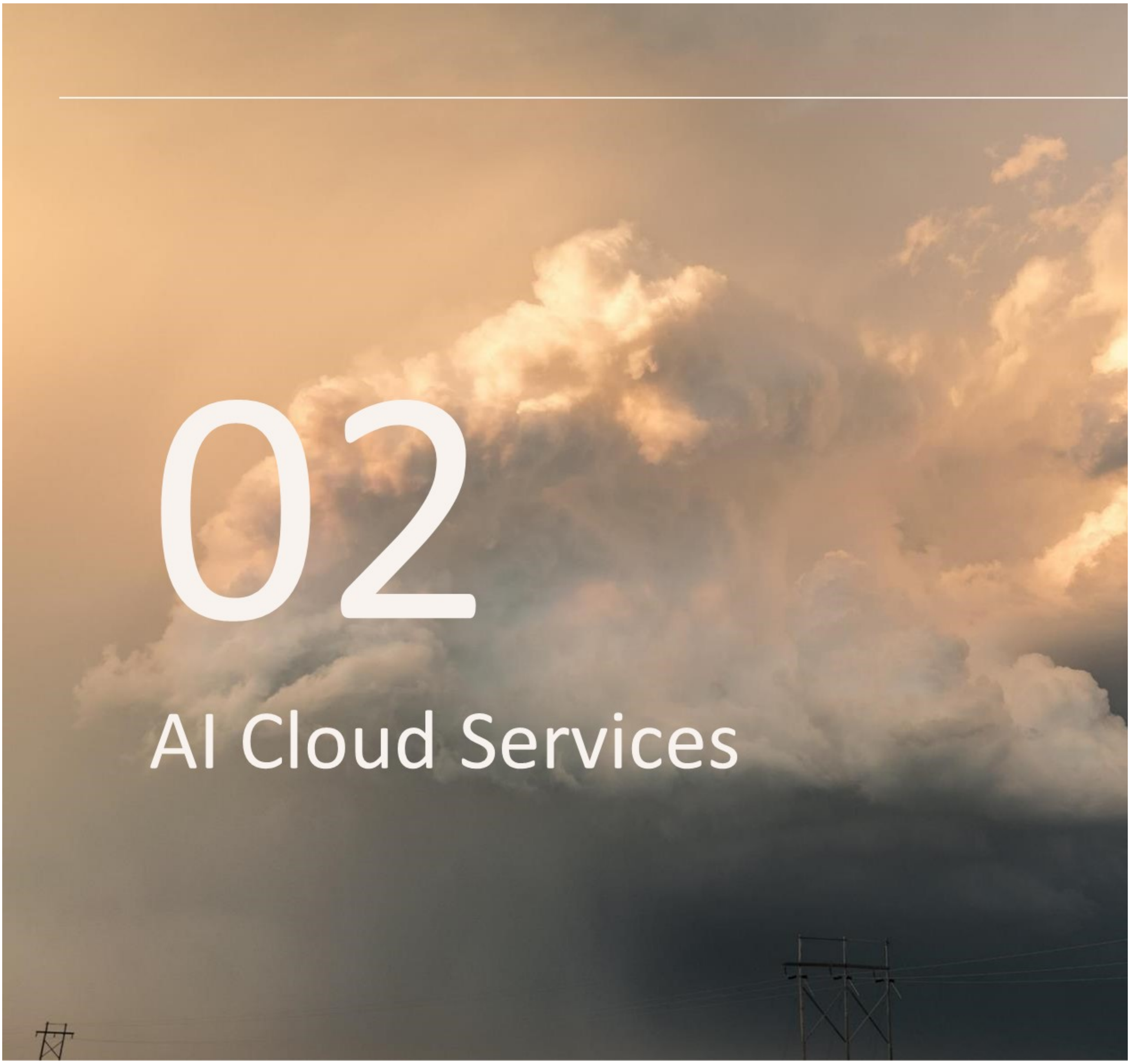
Large-scale miner with leading efficiency

Bitcoin mined (April 2024)



	BTBT	HUT	HIVE	BTDR	BITF	WULF	CIFR	
Market Cap ($m)	$254	$715	$254	$636	$616	$674	$1,153	$7
Installed hashrate (EH/s)	2.8	5.5	5.0	6.7	7.0	8.0	7.7	10

Note: Refer to assumptions and notes on page 23.


02
AI Cloud Services

AI is not a ‘pivot’ away from Bitcc

Highly complementary businesses utilizing the same multi-purpos

Diversifies revenue base

Smooths returns through the cycle

Optimizes cost of capital

Does not display Bitcoin mining capacity

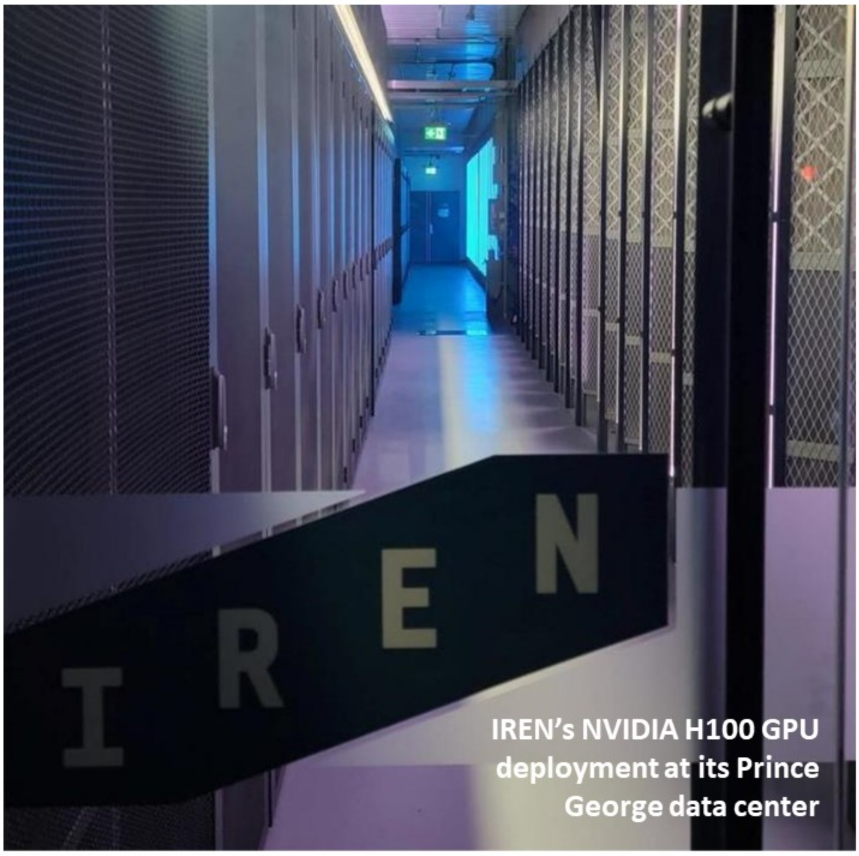
Every

- Use
- Ger

Note: Refer to assumptions and notes on page 23.

Scaling AI Cloud Services

In parallel with growth in Bitcoin mining



IREN's NVIDIA H100 GPU deployment at its Prince George data center

Exceptional custom

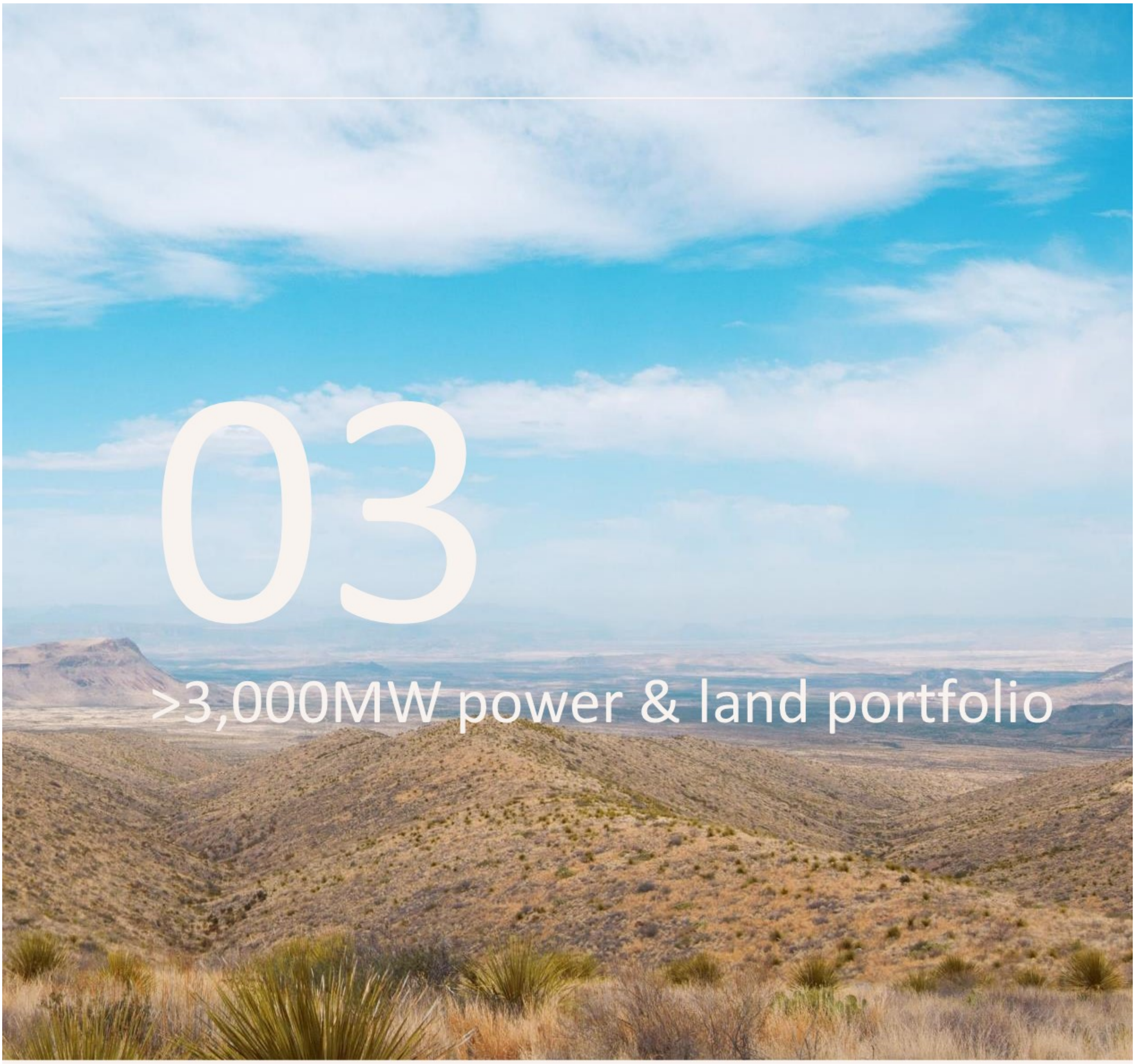
"We are seriously impressed by
host<>device DMA transfers…th
other hardware setup we have

Testing on-demand

Equipment financin
potential path to sc

03

>3,000MW power & land portfolio



AI’s impending power crunch

>3,000MW power & land portfolio presents significant opportunit

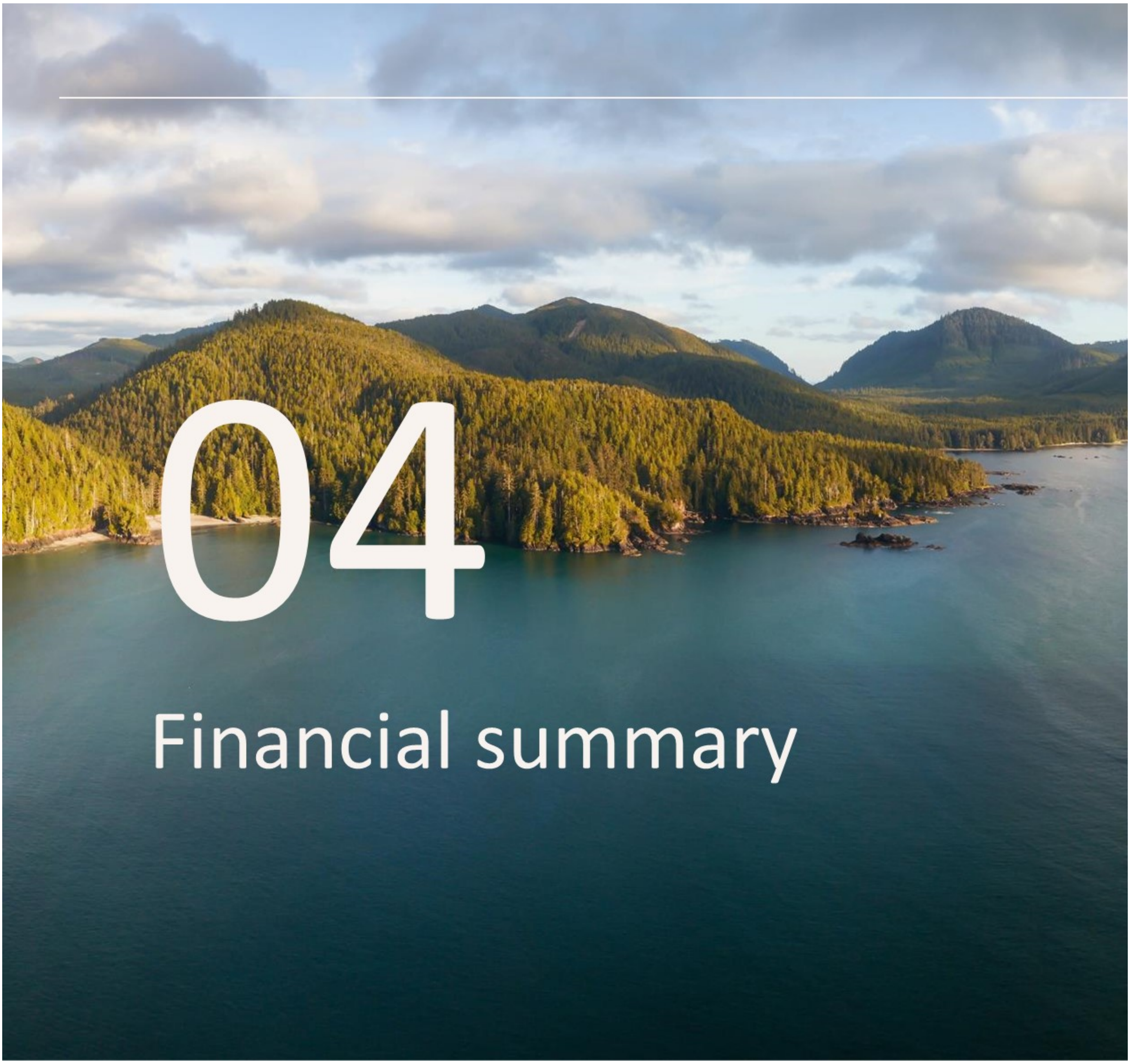
Data center gro

Morgan Stanley

3,000MW = 3,0

IREN exploring s

Source: Morgan Stanley Rese
a data center (vs. building a



04

Financial summary

Illustrative comparative economi

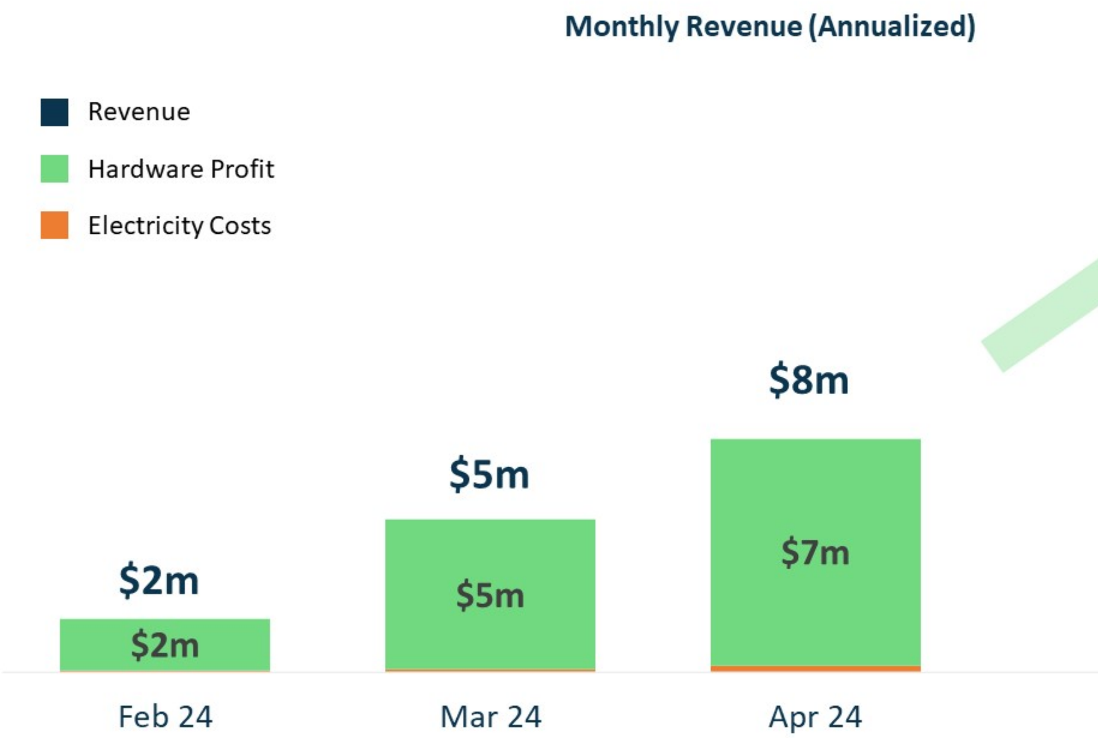
Bitcoin Mining

Business	Bitcoin network security (Bitcoin rewards sold daily)
Hardware	Application-Specific Integrated Circuit (ASIC)
Monetization[1, 2]	**Per Bitcoin mined** Revenue: Spot price Electricity Cost: ~$17k
Annualized hardware profit[3]	30 EH/s: ~$408m
Hardware payback period[4]	~12 to 24 months

Note: Refer to assumptions and notes on page 23.

AI Cloud Services revenue

Continuing to scale



Strong cashflow generation

Reflects cash generation from our data centers and quality of und

Consolidated statement of cashflows

	Note	Nine months ended 31 Mar 2024 $'000
Cash flows from operating activities		
Receipts from Bitcoin mining activities		129,394
Receipts from AI Cloud Service revenue		1,071
Receipts from ERS revenue		438
Payments for electricity, suppliers and employees (inclusive of GST)		(85,880)
Interest received		2,996
Other revenue		-
Interest paid		(130)
Net cash from/(used in) operating activities		47,889
Cash flows from investing activities		
Payments for property, plant and equipment net of hardware prepayments	10	(112,664)
Payments for computer hardware prepayments	8	(70,638)
Repayments/(advancement) of loan proceeds		-
Prepayments and deposits		(4,683)
Proceeds from disposal of property, plant and equipment		-
Deconsolidation of Non-Recourse SPVs		-
Net cash from/(used in) in investing activities		(187,985)
Cash flows from financing activities		
Capital raising costs	13	(902)
Repayment of borrowings		-
Capital raising receipts		332,075
Payment of borrowing transaction costs		-
Repayment of lease liabilities		(406)
Net cash from/(used in) financing activities		330,767
Net increase/(decrease) in cash and cash equivalents		**190,671**
Cash and cash equivalents at the beginning of the period		68,894
Effects of exchange rate changes on cash and cash equivalents		130
Cash and cash equivalents at the end of the period		**259,695**

$47.9m positive operating cashflow

Reinvested into growth

Consolidat

Bitcoin mining revenu
AI Cloud Service rever
Other income
Gain/(loss) on disposa

Revenue

Expenses
Depreciation
Electricity charges
Realized gain/(loss) o
Employee benefits ex
Share-based payment
Impairment of assets
Reversal of impairme
Professional fees
Site expenses
Other operating expe
Gain/(loss) on sale of
Unrealized gain/(loss)

Operating profit/(los

Finance expense
Interest income
Foreign exchange gai

Profit/(loss) before in

Income tax (expense)

Profit/(loss) after inc

Adjusted EBITDA

3Q FY24 vs. 2Q FY24

- Adjusted EBITDA increased from $13.9m to $21.8m

- Bitcoin mining revenue increased from $42.0m to $53.4m
  - Increase in average operating hashrate (5.6 EH/s to 6.4 EH/s)
  - 12% or 141 BTC decrease in BTC mined (1,144 BTC to 1,003 BTC)
  - +45% increase in average price realised per BTC mined ($36.8k to $53.2k)

- Average net electricity cost[2] per BTC mined increased from $(14.1)k to $(19.3)k

- Other costs include (3Q FY24):
  - Employee benefits expenses $(4.3)m
  - Site operating costs $(2.1)m
  - Insurance costs $(1.8)m
  - Professional fees $(1.8)m
  - Provision for Canadian non-refundable sales tax $(1.4)m

US$m[1]
Bitcoin mining revenue
AI Cloud Service revenue
Other income
Electricity charges
Realized gain/(loss) on financial asset
Other costs
Adjusted EBITDA
Adjusted EBITDA Margin
Reconciliation to consolidated statement o
Add/(deduct):
Reversal of impairment of assets
Share-based payment expense - $75 exercis
Share-based payment expense - other
Foreign exchange gain/(loss)
Other expense items[3]
Unrealized gain/(loss) on financial asset[4]
EBITDA
Finance expense
Interest income
Depreciation
Profit/(loss) before income tax expense for
Income tax (expense)/benefit
Profit/(loss) after income tax expense for t

1. For further detail, see our unaudited interim financial statements
2. See slide net electricity costs for a detailed breakdown of amount
3. Other expense items include one-off professional fees including l
4. Unrealized loss on financial asset represents the change in the fai

Adjusted EBITDA

3Q YTD FY24 vs. 3Q YTD FY23

- Adjusted EBITDA of $42.5m and Net cash from operating activities of $47.9m for the nine months ended 31 March 2024

- Bitcoin mining revenue increased from $41.3m to $129.8m
  - Increase in average operating hashrate (2.0 EH/s to 5.8 EH/s)
  - 68% or 1,368 BTC increase in BTC mined (2,003 BTC to 3,371 BTC)
  - +87% increase in average price realised per BTC mined ($20.6k to $38.5k)

- Average net electricity cost[2] per BTC mined increased from $(9.9)k to $(15.4)k

- Other costs include (3Q YTD FY24):
  - Employee benefits expenses $(12.8)m
  - Site operating costs $(5.9)m
  - Insurance costs $(4.8)m
  - Professional fees $(4.3)m
  - Provision for Canadian non-refundable sales tax $(4.3)m

US$m
Bitcoin mining revenue
AI Cloud Service revenue
Other income
Electricity charges
Realized gain/(loss) on financial asset
Other costs
Adjusted EBITDA
Adjusted EBITDA Margin
Reconciliation to consolidated statement o
Add/(deduct):
Gain/(loss) on disposal of subsidiaries
Impairment of assets[2]
Reversal of impairment of assets
Share-based payment expense - $75 exercis
Share-based payment expense - other
Foreign exchange gain/(loss)
Other expense items[3]
Unrealized gain/(loss) on financial asset[4]
EBITDA
Finance expense
Interest income
Depreciation
Profit/(loss) before income tax expense for
Income tax (expense)/benefit
Profit/(loss) after income tax expense for t

1. See slide net electricity costs for a detailed breakdown of amount
2. Impairment of assets for the nine months ended March 31, 2023
3. Other expense items include one-off professional fees including
4. Unrealized loss on financial asset represents the change in the fai

Consolidated statement of cashfl

3Q YTD FY24 vs. 3Q YTD FY23

- Net increase in cash and cash equivalents of $190.7m for the nine months ended March 31, 2024
- Increase in net cash from operating activities to $47.9m due to increase in average operating hashrate (2.0 EH/s to 5.8 EH/s) coupled with a higher average realized bitcoin price
- Increase in net cash used in investing activities to $188.0m due to expansion at Childress data center and purchase of 816 NVIDIA H100 GPUs
- Increase in net cash from financing activities to $330.8m with $332.1m received from shares sold under the ATM and ELOC

US$m
Cash flows from operating activities
Receipts from Bitcoin mining activities
Receipts from AI Cloud Service revenue
Receipts from ERS revenue
Payments for electricity, suppliers and employees
Interest received
Other revenue
Interest paid
Net cash from/(used in) operating activities
Cash flows from investing activities
Payments for property, plant and equipment net c
Payments for computer hardware prepayments
Repayments/(advancement) of loan proceeds
Prepayments and deposits
Proceeds from disposal of property, plant and equ
Deconsolidation of Non-Recourse SPVs
Net cash from/(used in) in investing activities
Cash flows from financing activities
Capital raising costs
Repayment of borrowings
Capital raising receipts
Payment of borrowing transaction costs
Repayment of lease liabilities
Net cash from/(used in) financing activities
Net increase/(decrease) in cash and cash equival
Cash and cash equivalents at the beginning of the
Effects of exchange rate changes on cash and cash
Cash and cash equivalents at the end of the peri

Balance sheet

March 31, 2024

- Cash and cash equivalents of $259.7m
- No debt facilities
- Total assets of $723.6m
- Strong balance sheet to fund future growth
- Total equity increased to $677.2m with gross proceeds of $369.9m from 73.5m shares sold under the ATM and ELOC[1]
- Cash increased to $321.5m (as of April 30, 2024)[2]

US$m
Assets
Cash and cash equivalents
Other receivables
Financial assets at fair value through profit c
Prepayments and other assets
Total current assets
Property, plant and equipment
Right-of-use assets
Other non-current assets
Total non-current assets
Total assets
Liabilities
Lease liabilities - current
Other current liabilities
Total current liabilities
Lease liabilities - non-current
Other non-current liabilities
Total non-current liabilities
Total liabilities
Equity
Total equity
Total equity and liabilities

1. Subsequent to March 31, 2024, the Company sold a further 8,172,310 Ordinary shares for aggregate net proceeds of ~$43.5 million. The total number of Ordinary shares as of May 12, 2024 is 146,584,041.
2. Reflects USD equivalent, unaudited preliminary cash, cash equivalents and term deposits as of April 30, 2024, which includes $71.8m of ATM proceeds from shares issued subsequent to March 31, 2024.

Assumptions and notes

Page 5

1. Overall nameplate fleet efficiency of 16 J/TH at 30 EH/s.
2. Represents indicative electricity cost per bitcoin mined assuming 30 EH/s, nameplate fleet efficiency of 16 J/TH, weighted average power cost of $0.037/kWh ($0.045/kWh in I price at Childress during FY24 to date (i.e. July 2023 to March 2024), including ERS revenue and adjusted for now eligible 4CP benefit), current global hashrate of 595 EH/s, blo

Page 7

1. Reflects average Enterprise value / installed EH/s multiple for MARA, CLSK and RIOT. Data sourced from Bloomberg and public company filings (as of May 10, 2024). Enterprise converted at a $63,000 Bitcoin price.
2. The Company continues to consider a range of funding opportunities such as equity, corporate debt and equipment financing.

Page 9

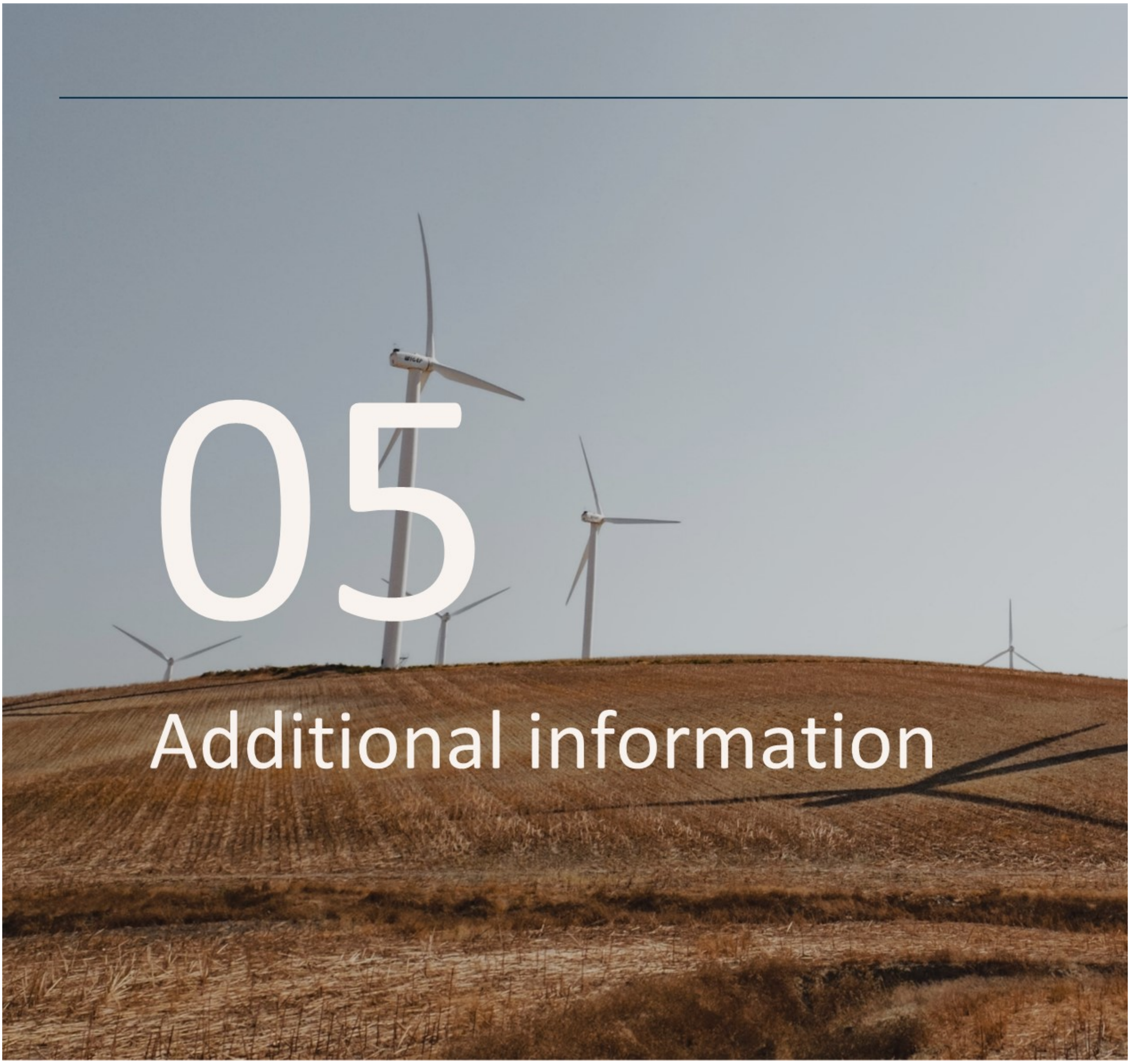
1. Bitcoin mined and installed hashrate as reported in April 2024 monthly operating updates. IREN installed hashrate as of May 14, 2024.
2. Bloomberg market data (as of May 10, 2024).

Page 11

1. GPU capex reflects purchase of 2,500 NVIDIA H100 GPUs at ~$40k per GPU.
2. Assumes 1.25kW power draw required for 1 GPU and 2,500 NVIDIA H100 GPUs.
3. Illustrative Hardware Profit = revenue less assumed electricity costs (excludes all other site, overhead and REC costs). Calculations assume 2,500 GPUs operating at 100% uptin (subject to customer contracts).

Page 16

1. Electricity Cost per Bitcoin mined reflects assumptions tabled above (indicative electricity cost per bitcoin mined assuming 30 EH/s),
2. Electricity Cost per GPU hour assumes 1.25kW power draw required for 1 GPU and illustrative $0.05/kWh energy price. $2.00-$2.50 AI Cloud Service illustrative pricing assum
3. Illustrative Annualized Hardware Profit = revenue less assumed electricity costs (excludes all other site, overhead and REC costs). Calculations assume hardware operates at 10 Inputs: $63,000 (Bitcoin price), 30,000 PH/s (hashrate), ~595 EH/s (global hashrate), 3.125 BTC (block reward), 0.3 BTC (transaction fees), 0.15% (pool fees), 503MW (power co $2.00-$2.50 per GPU hour.
4. Hardware payback period calculations based on recent observed ASIC and GPU purchase orders and market pricing benchmarks (based on hardware capex only, e.g. excluding GPU pricing. Hardware payback period calculated based on Hardware Profit, which represents revenue less assumed electricity costs (excludes all other site, overhead and RE economics across a range of Bitcoin prices, and historical observed hardware pricing.



05

Additional information

Consolidated statement of profit

3Q FY24 vs. 2Q FY24

- 3Q FY24 Profit after income tax of $8.6m, being an increase of $13.8m
  - Improvement primarily due to increase in Bitcoin mining revenue
- Key non-cash items in the 3Q FY24 profit after income tax of $8.6m:
  - Share-based payment expense of $(5.8)m
  - Depreciation of $(8.7)m

US$m
Revenue
Bitcoin mining revenue
AI Cloud Service revenue
Other income
Total Revenue
Expenses
Depreciation
Electricity charges
Realized gain/(loss) on financial asset
Employee benefits expense
Share-based payments expense[1]
Reversal of impairment of assets
Professional fees
Site expenses
Other operating expenses
Unrealized gain/(loss) on financial asset
Operating profit/(loss)
Finance expense
Interest income
Foreign exchange gain/(loss)
Profit/(loss) before income tax expense fo
Income tax (expense)/benefit
Profit/(loss) after income tax expense for t

1. $(2.9)m of the 3Q FY24 expense relates to amortization of $75

Net electricity costs

Reconciliation of Electricity charges to Net electricity costs

US$m	Three months ended March 31, 2024	Three Decen
Electricity charges	(19.8)	
Add/(deduct) the following:		
Realized gain/(loss) on financial asset	0.1	
ERS revenue (included in Other income)	0.4	
ERS fees (included in Other operating expenses)	(0.0)	
Net electricity costs	**(19.4)**	
Bitcoin mined (number)	1,003	
Net electricity costs per Bitcoin mined ($thousands)	**(19.3)**	


IREN

Exhibit 99.3

Iris Energy Limited (d.b.a IREN)

Unaudited Interim Consolidated Financial Statements 31 March 2024

Iris Energy Limited

Unaudited interim consolidated statements of profit or loss and other comprehensive income

For the period ended 31 March 2024

	Note	Three months ended 31 Mar 2024 $'000	Three months ended 31 Mar 2023 $'000	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
Bitcoin mining revenue		53,383	11,327	129,827	41,294
AI Cloud Service revenue		567	-	567	-
Other income	3	399	1,798	926	3,117
Gain/(loss) on disposal of subsidiaries		-	3,257	-	3,257
Revenue		54,349	16,382	131,320	47,668
Expenses					
Depreciation	10	(8,692)	(5,125)	(23,870)	(24,122)
Electricity charges		(19,834)	(5,973)	(55,944)	(19,910)
Realized gain/(loss) on financial asset	7	91	-	3,210	-
Employee benefits expense		(4,333)	(2,470)	(12,844)	(11,138)
Share-based payments expense	17	(5,817)	(3,503)	(17,622)	(10,273)
Impairment of assets		-	-	-	(105,172)
Reversal of impairment of assets		-	-	108	-
Professional fees		(2,018)	(1,117)	(5,938)	(4,086)
Site expenses		(2,096)	(1,290)	(5,892)	(3,329)
Other operating expenses	4	(4,537)	(1,966)	(14,809)	(7,232)
Gain/(loss) on sale of assets		1	(160)	16	(6,616)
Unrealized gain/(loss) on financial asset	7	(1,091)	-	(1,349)	-
Operating profit/(loss)		6,023	(5,222)	(3,614)	(144,210)
Finance expense		(126)	(2,311)	(190)	(16,227)
Interest income		1,500	244	2,878	458
Foreign exchange gain/(loss)		4,714	4,557	2,265	(2,619)
Profit/(loss) before income tax expense		12,111	(2,732)	1,339	(162,598)
Income tax (expense)/benefit		(3,473)	(321)	(3,228)	(2,349)
Profit/(loss) after income tax expense for the period		8,638	(3,053)	(1,889)	(164,947)
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(7,334)	(9,126)	(5,331)	(21,241)
Other comprehensive income/(loss) for the period, net of tax		(7,334)	(9,126)	(5,331)	(21,241)
Total comprehensive income/(loss) for the period		1,304	(12,179)	(7,220)	(186,188)
		Cents	**Cents**	**Cents**	**Cents**
Basic earnings per share	14	8.27	(5.70)	(2.32)	(310.03)
Diluted earnings per share	14	7.70	(5.70)	(2.32)	(310.03)

The above unaudited interim consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	31 Mar 2024 $'000	30 Jun 2023 $'000
Assets			
Current assets			
Cash and cash equivalents	5	259,695	68,894
Other receivables	6	35,867	6,543
Financial assets at fair value through profit or loss	7	3,425	-
Prepayments and other assets	9	11,206	13,793
Total current assets		310,193	89,230
Non-current assets			
Property, plant and equipment	10	357,081	241,102
Right-of-use assets		1,624	1,374
Deferred tax assets		2,595	8
Computer hardware prepayments	8	41,407	68
Other assets		456	292
Prepayments and other assets	9	10,247	-
Total non-current assets		413,410	242,844
Total assets		723,603	332,074
Liabilities			
Current liabilities			
Trade and other payables		24,256	16,644
Lease liabilities	11	205	192
Income tax		481	32
Employee benefits		4,554	961
Provisions	12	11,498	6,172
Deferred Revenue		506	-
Total current liabilities		41,500	24,001
Non-current liabilities			
Lease liabilities	11	1,512	1,256
Deferred tax liabilities		3,247	1,365
Employee benefits		104	91
Total non-current liabilities		4,863	2,712
Total liabilities		46,363	26,713
Net assets		677,240	305,361
Equity			
Issued capital	13	1,327,668	965,857
Reserves		5,737	(6,220)
Accumulated losses		(656,165)	(654,276)
Total equity		677,240	305,361

The above unaudited interim consolidated statements of financial position should be read in conjunction with the accompanying notes

For the Three Months Ended 31 March 2023

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2023	926,581	(12,159)	(644,299)	270,123
Profit/(loss) after income tax expense for the period	-	-	(3,053)	(3,053)
Other comprehensive gain/(loss) for the period, net of tax	-	(9,126)	-	(9,126)
Total comprehensive loss for the period	-	(9,126)	(3,053)	(12,179)
Transactions with owners in their capacity as owners:				
Capital raise costs	(1,014)	-	-	(1,014)
Share issuances - paid	6,912	-	-	6,912
Share-based payments	-	9,846	-	9,846
Balance at 31 March 2023	932,479	(11,439)	(647,352)	273,688

For the Nine Months Ended 31 March 2023

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	926,581	(6,814)	(482,405)	437,362
Profit/(loss) after income tax expense for the period	-	-	(164,947)	(164,947)
Other comprehensive gain/(loss) for the period, net of tax	-	(21,241)	-	(21,241)
Total comprehensive loss for the period	-	(21,241)	(164,947)	(186,188)
Transactions with owners in their capacity as owners:				
Capital raise costs	(1,014)	-	-	(1,014)
Share issuances - paid	6,912	-	-	6,912
Share-based payments	-	16,616	-	16,616
Balance at 31 March 2023	932,479	(11,439)	(647,352)	273,688

For the Three Months Ended 31 March 2024

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2024	1,038,846	7,805	(664,803)	381,848
Profit/(loss) after income tax expense for the period	-	-	8,638	8,638
Other comprehensive gain/(loss) for the period, net of tax	-	(7,334)	-	(7,334)
Total comprehensive loss for the period	-	(7,334)	8,638	1,304
Transactions with owners in their capacity as owners:				
Capital raise costs	(5,694)	-	-	(5,694)
Share issuances - paid	294,214	-	-	294,214
Share-based payments	302	5,266	-	5,568
Balance at 31 March 2024	1,327,668	5,737	(656,165)	677,240

For the Nine Months Ended 31 March 2024

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	965,857	(6,220)	(654,276)	305,361
Profit/(loss) after income tax expense for the period	-	-	(1,889)	(1,889)
Other comprehensive gain/(loss) for the period, net of tax	-	(5,331)	-	(5,331)
Total comprehensive loss for the period	-	(5,331)	(1,889)	(7,220)
Transactions with owners in their capacity as owners:				
Capital raise costs	(8,495)	-	-	(8,495)
Share issuances - paid	369,886	-	-	369,886
Share-based payments	420	17,288	-	17,708
Balance at 31 March 2024	1,327,668	5,737	(656,165)	677,240

The above unaudited interim consolidated statements of changes in equity should be read in conjunction with the accompanying notes

	Note	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
Cash flows from operating activities			
Receipts from Bitcoin mining activities		129,394	43,669
Receipts from AI Cloud Service revenue		1,071	-
Receipts from ERS revenue		438	-
Payments for electricity, suppliers and employees (inclusive of GST)		(85,880)	(41,084)
Interest received		2,996	507
Other revenue		-	12
Interest paid		(130)	(4,102)
Net cash from/(used in) operating activities		47,889	(998)
Cash flows from investing activities			
Payments for property, plant and equipment net of hardware prepayments	10	(112,664)	(93,620)
Payments for computer hardware prepayments	8	(70,638)	-
Repayments/(advancement) of loan proceeds		-	2,291
Prepayments and deposits		(4,683)	(7,363)
Proceeds from disposal of property, plant and equipment		-	30,601
Deconsolidation of Non-Recourse SPVs		-	(1,214)
Net cash from/(used in) in investing activities		(187,985)	(69,305)
Cash flows from financing activities			
Capital raising costs	13	(902)	(860)
Repayment of borrowings		-	(9,432)
Capital raising receipts		332,075	7,549
Payment of borrowing transaction costs		-	(250)
Repayment of lease liabilities		(406)	(247)
Net cash from/(used in) financing activities		330,767	(3,240)
Net increase/(decrease) in cash and cash equivalents		**190,671**	**(73,543)**
Cash and cash equivalents at the beginning of the period		68,894	109,970
Effects of exchange rate changes on cash and cash equivalents		130	(3,276)
Cash and cash equivalents at the end of the period		**259,695**	**33,151**

The above unaudited interim consolidated statements of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

These unaudited interim consolidated financial statements cover Iris Energy Limited (d.b.a. IREN) as a Group consisting of Iris Energy Limited ("Company" or "Parent Entity") and the entities it controlled at the end of, or during, the period (collectively the "Group").

The Company's shares trade on the NASDAQ under the ticker symbol "IREN".

Iris Energy Limited is incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
c/o Pitcher Partners Level 13, 664 Collins Street Docklands VIC 3008 Australia	Level 12, 44 Market Street Sydney NSW 2000 Australia

The Group is a leading next-generation data center business powering the future of Bitcoin, AI and beyond.

The unaudited interim consolidated financial statements were authorized for issue, in accordance with a resolution of Directors, on 15 May 2024. The Directors have the power to amend and reissue the unaudited interim consolidated financial statements.

Note 2. Significant accounting policies

These unaudited interim consolidated financial statements for the periods ended 31 March 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2023 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Note 2. Significant accounting policies (continued)

Revenue recognition
The Group records revenue from contracts with customers in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15") as follows:

- Step 1: Identify the contract with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price, which is the total consideration provided by the customer;
- Step 4: Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Bitcoin mining revenue
The Group operates data center infrastructure supporting the verification and validation of Bitcoin blockchain transactions in exchange for Bitcoin, referred to as "Bitcoin mining". The Company has entered into arrangements with mining pools, whereby computing power is directed to the mining pools in exchange for non-cash consideration in the form of Bitcoin. The provision of computing power is the only performance obligation in the contract with the mining pool operators.

The Company has the right to decide the point in time and duration for which it will provide hash computation services to the mining pools. The contracts are terminable at any time by either party without substantive compensation to the other party for such termination. Upon termination, the mining pool operator (i.e., the customer) is required to pay the Company any amount due related to previously satisfied performance obligations. Therefore, the Company has determined that the duration of the contract is less than 24 hours and that the contract continuously renews throughout the day.

In the mining pools which the Company participated in during the periods, the Company is not directly exposed to the pool's success in mining blocks. The Company is rewarded in Bitcoin for the hashrate it contributes to these mining pools. The reward for the hashrate contributed by the Company is based on the current network difficulty and global daily revenues from transaction fees, less mining pool fees.

The fair value of the non-cash consideration is determined using the quantity of Bitcoin received multiplied by the spot price of the Bitcoin price at the end of the day at the website of Kraken, the trading platform over which we exchange the Bitcoin we have mined ("Kraken").

Management considers the prices quoted on Kraken to be a Level 1 input under IFRS 13 Fair Value Measurement. The Group did not hold any Bitcoin on hand as at 31 March 2024 (31 March 2023: Nil).

AI Cloud Services revenue
The Group generates AI Cloud Services revenue through the provision of AI Cloud Services to clients. Revenue is measured at the fair value of the consideration received or receivable for services, net of discounts and sales taxes. The steps involved in recognising AI Cloud Services revenue are set out as follows:

- AI Cloud Services revenue is recognized as service revenue rateably over the enforceable term of individual contracts which is typically the stated term. The Company satisfies its performance obligation as these services are provided over time. This method best represents the transfer of services.
- Transaction price is determined as the list price of services (net of discounts) that the Company delivers to its customers, considering the term of each individual contract, and the ability to enforce and collect the consideration.
- Usage revenue (overage and consumption-based services) is recorded as AI Cloud Services revenue in the month the usage is incurred/service is consumed by the customer, based on a fixed agreed upon amount per unit consumed.

Note 2. Significant accounting policies (continued)

Going concern
The Group has determined there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated financial statements on a going concern basis which contemplates continuity of normal business activities, the realization of assets and settlement of liabilities in the ordinary course of business. The operating cash flows generated by the Group are inherently linked to several key uncertainties and risks including, but not limited to, volatility associated with the economics of Bitcoin mining and the ability of the Group to execute its business plan.

For the nine-month period ended 31 March 2024, the Group incurred a loss after tax of $1,889,000 (31 March 2023: $164,947,000) and net operating cash inflows of $47,889,000 (31 March 2023: outflows of $998,000). As at 31 March 2024, the Group had net current assets of $268,693,000 (30 June 2023: net current assets of $65,229,000) and net assets of $677,240,000 (30 June 2023: net assets of $305,361,000).

As further background, the Group owns mining hardware that is designed specifically to mine Bitcoin and its future success will depend in a large part upon the value of Bitcoin, and any sustained decline in its value could adversely affect the business and results of operations. Specifically, the revenues from Bitcoin mining operations are predominantly based upon two factors: (i) the number of Bitcoin rewards that are successfully mined and (ii) the value of Bitcoin. A decline in the market price of Bitcoin, increases in the difficulty of Bitcoin mining including the halving event which occurred in April 2024, changes in the regulatory environment, and/or adverse changes in other inherent risks may significantly negatively impact the Group's operations. Due to the volatility of the Bitcoin price and the effects of the other aforementioned factors, there can be no guarantee that future mining operations will be profitable, or the Group will be able to raise capital to meet growth objectives.

The strategy to mitigate these risks and uncertainties is to try to execute a business plan aimed at operational efficiency, revenue growth, improving overall mining profit, managing operating expenses and working capital requirements, maintaining potential capital expenditure optionality, and securing additional financing, as needed, through one or more debt and/or equity capital raisings.

Our growth and risk mitigation strategies include pursuing a strategy to diversify our revenue streams into new markets. This includes the expansion into the provision of AI Cloud Services. The Group signed a contract with an initial AI Cloud Services client and commenced revenue generating operations during the three months ended 31 March 2024.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are therefore significantly dependent upon several factors. These factors have been considered in preparing a cash flow forecast over the next 12 months to consider the going concern of the Group. The key assumptions include:

- A base case scenario assuming recent Bitcoin economics, with reduction in block rewards following the halving event which occurred in April 2024;
- Three operational sites in British Columbia, Canada with installed nameplate capacity of 160MW; 80MW Mackenzie, 50MW Prince George and 30MW Canal Flats;
- A fourth operational site at Childress, Texas with installed nameplate capacity of 85MW as at 6 May 2024 incrementally increasing to 350 MW by 31 December 2024;
- Securing additional financing as required to achieve the Group's growths objectives.

The key assumptions have been stress tested using a range of Bitcoin price and global hashrate scenarios including with respect to the halving event that occurred in April 2024. The Group aims to maintain a degree of flexibility in both operating and capital expenditure cash flow management where it practicably makes sense, including ongoing internal cash flow monitoring and projection analysis performed to identify potential liquidity risks arising and to try to respond accordingly.

As a result, the Group has concluded there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group considers that it will be successful in the above matters and will have adequate cash reserves to enable it to meet its obligations for at least one year from the date of approval of the consolidated financial statements, and, accordingly, has prepared the consolidated financial statements on a going concern basis.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended IFRS and Interpretations as issued by the International Accounting Standards Board ("IASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group believes that the impact of recently issued standards or amendments to existing standards that are not yet effective will not have a material impact on the Group's unaudited interim consolidated financial statements.

Note 3. Other income

	Three months ended 31 Mar 2024 $'000	Three months ended 31 Mar 2023 $'000	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
ERS Revenue	399	-	926	-
Net gain on disposal of other assets	-	1,798	-	3,117
Total other income	399	1,798	926	3,117

Other income for the periods ended 31 March 2024 comprises income generated from an Emergency Response Service ("ERS") program entered into in Texas. This ERS program is a demand response program designed to help Electric Reliability Council of Texas (“ERCOT”) mitigate rolling blackouts. Other income is generated by the Group’s participation in this program at the site in Childress, Texas.

Other income for the periods ended 31 March 2023 primarily relates to gain on disposal of other assets.

Note 4. Other operating expenses

	Three months ended 31 Mar 2024 $'000	Three months ended 31 Mar 2023 $'000	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
Insurance	1,736	1,160	4,835	4,552
Sponsorship and marketing	748	66	1,442	176
Charitable donations	4	9	237	158
Filing fees	21	19	57	58
ERS fees	24	-	56	-
Site identification costs	-	-	-	15
Non-refundable sales tax (See Note 12)	1,351	402	4,317	1,429
Non-refundable provincial sales tax	340	70	963	70
Other expenses	313	240	1,105	774
Legal expenses	-	-	1,797	-
Total other operating expenses	4,537	1,966	14,809	7,232

Note 5. Cash and cash equivalents

	31 Mar 2024 $'000	30 Jun 2023 $'000
Current assets		
Cash at bank	259,695	38,657
Cash on deposit	-	30,237
Total cash and cash equivalents	259,695	68,894

Note 6. Other receivables

	31 Mar 2024 $'000	30 Jun 2023 $'000
Current assets		
Share issuance proceeds	28,376	1,581
Trade and other receivables	567	97
Provincial sales tax receivable	-	122
Goods and services tax receivable	6,924	4,743
Total other receivables	35,867	6,543

Note 7. Financial assets at fair value through profit or loss

	Three months ended 31 Mar 2024 $'000	Three months ended 31 Mar 2023 $'000	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
Current assets				
Electricity financial asset	3,425	-	3,425	-
Reconciliation				
Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:				
Opening fair value	1,280	-	-	-
Additions	9,388	-	10,926	-
Financial asset realized	(6,152)	-	(6,152)	-
Revaluation decrements (unrealized loss)	(1,091)	-	(1,349)	-
Closing fair value	3,425	-	3,425	-

Power Supply Agreement

A subsidiary of the Company (“the Subsidiary”) entered into a Power Supply Agreement ("PSA") for the procurement of electricity at the Childress site.

Under the PSA, the Subsidiary has the right to purchase a fixed quantity of electricity in advance at a fixed price however, the Subsidiary has no obligation to take physical delivery of electricity purchased. For any unused electricity purchased, the Subsidiary sells the unused electricity to the counterparty of the PSA at the prevailing spot price at the time of curtailment.

As the PSA meets the definition of a financial instrument under IAS 32, it is accounted for as a financial asset at fair value through Profit and Loss under IFRS 9.

Accordingly, the PSA is recorded at an estimated fair value each reporting period with the change in the fair value recorded in change in fair value of financial asset in the consolidated statements of operations.

As at 31 March 2024, the financial asset comprises the fair value of unused electricity purchased for the forward period to 31 May 2024.

On settlement, a realized gain or loss on a financial asset is recognised in profit or loss. The gain or loss is calculated based on the unused quantity of electricity multiplied by prevailing spot price at the time of curtailment less the price paid upon prepayment (fixed costs). For the nine and three month periods ended 31 March 2024, the realised gain was $3.2m (2023: nil) and $0.1m (2023: nil) respectively.

Note 8. Computer hardware prepayments

	31 Mar 2024 $'000	30 Jun 2023 $'000
Non-current assets		
Mining hardware prepayments	39,440	68
High-performance computing hardware prepayments	1,967	-
Total computer hardware prepayment	41,407	68

Computer hardware prepayments represent payments made by the Group for the purchase of mining hardware for our Childress data center and High-performance computing ("HPC") hardware. These prepayments are in accordance with payment schedules set out in relevant purchase agreements with hardware manufacturers.

The mining hardware prepayments at 31 March 2024 include a non-refundable deposit of $12,768,000 as an initial 10% option down payment in relation to a hardware purchase option to acquire up to 48,000 Bitmain T21 miners (9.1 EH/s) at a price of $14/TH. If the entire option is exercised, the total contracted cost will be $127,680,000. If the option is exercised, the miners can be scheduled for phased shipment in monthly batches from June 2024 to November 2024. As at 31 March 2024, final decisions with respect to exercising miner purchase options have not been made by the Group. Refer to Note 19 Subsequent events for further information.

Note 9. Prepayments and other assets

	31 Mar 2024 $'000	30 Jun 2023 $'000
Current assets		
Security deposits	2,870	2,420
Prepayments	8,336	11,373
Total current	11,206	13,793
Non-current assets		
Security deposits	10,247	-
Total prepayments and other assets	21,453	13,793

Non-current deposits include connection deposits paid for expansion projects in British Columbia, Canada and West Texas, USA.

Note 10. Property, plant and equipment

	31 Mar 2024 $'000	30 Jun 2023 $'000
Non-current assets		
Land - at cost	1,911	1,803
Buildings - at cost	169,765	153,100
Less: Accumulated depreciation	(10,805)	(5,042)
	158,960	148,058
Plant and equipment - at cost	4,704	4,145
Less: Accumulated depreciation	(1,022)	(712)
	3,682	3,433
Mining hardware - at cost	144,623	115,024
Less: Accumulated depreciation	(32,549)	(15,709)
Less: Accumulated impairment	(25,714)	(25,934)
	86,360	73,381
HPC Hardware	29,603	-
Less: Accumulated depreciation	(339)	-
	29,264	-
Development assets - at cost	76,904	14,427
Total property, plant and equipment	357,081	241,102

Reconciliations
Reconciliations of the written down values at the beginning and end of the current period are set out below:

For the Nine Months Ended 31 March 2024

Consolidated	Land $'000	Buildings $'000	Plant and equipment $'000	Mining hardware $'000	HPC hardware $'000	Development assets $'000	Total $'000
Balance at 1 July 2023	1,803	148,058	3,433	73,381	-	14,427	241,102
Additions	125	1,237	681	31,301	29,693	79,637	142,674
Disposals	-	-	(35)	(6)	-	-	(41)
Exchange differences	(17)	(1,811)	(70)	(1,150)	(90)	72	(3,067)
Reversal of impairment	-	-	-	-	-	108	108
Transfers in/(out)	-	17,340	-	-	-	(17,340)	-
Depreciation expense	-	(5,863)	(327)	(17,166)	(339)	-	(23,695)
Balance at 31 March 2024	1,911	158,960	3,682	86,360	29,264	76,904	357,081

Depreciation of mining hardware commences once units are installed onsite and available for use.

Development assets includes costs related to the development of data center infrastructure at Childress, Texas along with other early-stage development costs.

Depreciation will commence on the development assets at Childress as each phase of the underlying infrastructure becomes available for use.

Note 11. Lease liabilities

	31 Mar 2024 $'000	30 Jun 2023 $'000
Current liabilities		
Lease liability	205	192
Non-current liabilities		
Lease liability	1,512	1,256
Total lease liabilities	1,717	1,448

Lease liabilities
The Group's lease liability includes a 30-year lease of a site in Prince George, B.C., Canada, a three-year lease of a corporate office in Sydney, Australia and a five-year corporate office lease in Vancouver, B.C., Canada.

Note 12. Provisions

	31 Mar 2024 $'000	30 Jun 2023 $'000
Current liabilities		
Non-refundable sales tax and other provisions	11,498	6,172
Total Provisions	11,498	6,172

Non-Refundable Sales Tax
The Canada Revenue Agency ("CRA") is currently conducting an audit of input tax credits ("ITCs") claimed by several of the Group's Canadian subsidiaries. The CRA has issued an assessment in relation to one of the subsidiaries which, the Directors believe may be applied across the Group's Canadian subsidiaries. Under the proposed decision, the CRA has noted that ITCs claimed by the Group would be allowed. However, the Canadian subsidiaries would also be required to remit an amount of 5% on services exported to the Australian parent under an intercompany service agreement. The export of services typically attracts a 0% rate of GST in Canada. If GST were to apply to these services at a rate of 5%, the Australian parent may not be permitted to recover this tax.

The Group has submitted additional information to the CRA to further support the ITCs claimed and the 0% rate applied to the exported services and submitted a formal notice of objection to the CRA in November 2022. The CRA has acknowledged receipt of the appeal application and further correspondence was received from the CRA in April 2024. The Group is currently reviewing this correspondence and will respond accordingly.

Recent amendments made to Canadian Tax legislation in June 2023 are being considered by the relevant subsidiaries and the CRA. In March 2024, the CRA issued interpretation guidance on the new legislation and in light of this the relevant subsidiaries submitted additional requests to the CRA to further support its entitlement to claim the ITCs. The affected subsidiaries continue to accrue a provision in line with the aforementioned methodology.

Note 13. Issued capital

	Consolidated			
	31 Mar 2024 Shares	30 Jun 2023 Shares	31 Mar 2024 $'000	30 Jun 2023 $'000
Ordinary shares - fully paid and unrestricted	138,411,731	64,747,477	1,327,668	965,857

Movements in ordinary share capital

Details	Date	Shares	$'000
Opening balance as at	1 July 2023	64,747,477	965,857
Shares issued under Committed Equity Facility		12,887,814	51,417
Shares issued under ATM Facility		60,570,797	318,468
Share based payment - third party issuance		101,084	302
Share based payment - vested shares		104,559	118
Capital raise costs, net of tax		-	(8,494)
Closing balance as at	31 March 2024	138,411,731	1,327,668

At-the-market Facility
On 13 September 2023, Iris Energy Limited (d.b.a. IREN) entered into an At-the-market ("ATM") Sales Agreement with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and Compass Point Research & Trading, LLC, pursuant to which Iris Energy Limited (d.b.a. IREN) has the option, but not the obligation, to sell up to $300,000,000 of its ordinary shares through or to the Brokers, for a period of up to 36 months.
On 21 March 2024, the Company added Canaccord Genuity LLC, Citigroup Global Markets Inc. and Macquarie Capital (USA) Inc. as Sales Agents pursuant to the Sales Agreement and filed a new prospectus supplement relating to the offer and sales of its ordinary shares under the Sales Agreement, which reflected an increase of $200,000,000 in the aggregate offering price, from an aggregate of up to $300,000,000 under the previously filed prospectus supplement relating to the offer and sale of ordinary shares under the Sales Agreement (“the ATM Facility”). As a result, in accordance with the terms of the Sales Agreement, the Company may offer and sell its ordinary shares having an aggregate offering price of up to $500,000,000. As at 31 March 2024, 60,570,797 shares have been issued under the ATM facility raising total gross proceeds of approximately $318,468,000.
During the three month period 55,891,597 ordinary shares were issued under the ATM Facility raising gross proceeds of approximately $294,214,000.

Committed Equity Facility
On 23 September 2022 Iris Energy Limited (d.b.a. IREN) entered into a share purchase agreement with B. Riley Principal Capital II, LLC (“B. Riley”) to establish a committed equity facility (“ELOC”), pursuant to which IREN may, at its option, sell up to US$100 million of ordinary shares to B. Riley over a two-year period. During the three-month period ended 31 March 2024, no shares were issued under the facility and the share purchase agreement was terminated. Effective 15 February 2024, the Company terminated this facility. During the nine month period ended 31 March 2024, 12,887,814 shares were issued under the ELOC facility raising total Gross proceeds of approximately, $51,417,000.

Loan-funded shares
As at 31 March 2024, there are 1,954,049 (30 June 2023: 1,954,049) restricted ordinary shares issued to management under the Employee Share Plan as well as certain non-employee founders of Podtech Innovation Inc. The total number of ordinary shares outstanding (including the loan funded shares) is 140,365,780 as at 31 March 2024 (30 June 2023: 66,701,526).

Note 14. Earnings per share

Basic earnings per share is computed by dividing net profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

For the three month period ended 31 March 2024, 416,733 shares were excluded in determining the diluted earnings per share as their effect is anti-dilutive. For the other periods presented, potential ordinary shares have not been included in the calculation diluted earnings per share because their effect is antidilutive.

For the Three Months Ended 31 March 2024

	Three months ended 31 Mar 2024 $'000	Three months ended 31 Mar 2023 $'000
Profit/(loss) after income tax	8,638	(3,053)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	104,496,782	53,559,687
Weighted average number of ordinary shares used in calculating diluted earnings per share	112,195,908	53,559,687
	Cents	**Cents**
Basic earnings per share	8.27	(5.70)
Diluted earnings per share	7.70	(5.70)

For the Nine Months Ended 31 March 2024

	Nine months ended 31 Mar 2024 $'000	Nine months ended 31 Mar 2023 $'000
Profit/(loss) after income tax	(1,889)	(164,947)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	81,456,256	53,203,472
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,456,256	53,203,472
	Cents	**Cents**
Basic earnings per share	(2.32)	(310.03)
Diluted earnings per share	(2.32)	(310.03)

Note 15. Contingent liabilities

In addition to PwC continuing in their capacity as receiver in respect of the Non-Recourse SPVs, a hearing was held in June 2023 in The Supreme Court of British Columbia with respect to, among other things, claims brought by the lender, NYDIG ABL LLC, seeking remedies regarding the limited recourse equipment financing facilities entered into by the Non-Recourse SPVs. A judgement on these proceedings was delivered on 10 August 2023 which declared, among other things, that the transactions pursuant to hashpower services provided by the Non-Recourse SPVs to the Company to be void. On 21 August 2023, the Company filed a notice to appeal the judgement. NYDIG ABL LLC had until 15 September 2023 to file a notice of cross-appeal however on 10 January 2024, it bought an application to extend the time to file such a notice. The hearing for the application seeking to extend the time to cross-appeal was held on 30 January 2024 which granted NYDIG’s application. On 31 January 2024 NYDIG filed its notice of cross appeal with the Court of Appeal seeking an order that the substantive consolidation and oppression remedies be remitted to the Supreme Court for consideration and reasons. On 12 March 2024, the hearing for the Company’s appeal and NYDIG’s cross appeal was held in by the Court of Appeal.

Note 16. Commitments

As at 31 March 2024, the Group had commitments of $65,856,000 (30 June 2023: $7,481,000) which are payable in instalments from March 2024 to March 2025.

As at 31 March 2024, total Group commitments are set out in the table below (excludes shipping and taxes).

	31 Mar 2024 $'000	30 Jun 2023 $'000
Amounts payable within 12 months of balance date	65,856	7,481
Amounts payable after 12 months of balance date	-	-
Total Commitments	65,856	7,481

In addition to those commitments, a subsidiary of the Group also entered into an option agreement with Bitmain to acquire up to 48,000 Bitmain T21 miners (9.1 EH/s) at a price of $14/TH. If the entire option is exercised, the total contracted cost will be $127,680,000. If the option is exercised, the miners can be scheduled for phased shipment in monthly batches from June 2024 to November 2024. As at 31 March 2024, final decisions with respect to exercising miner purchase options have not been made by the Group. Refer to note 8 for further information.

Note 17. Share-based payments

The Group has entered into a number of share-based compensation arrangements. Details of these arrangements, which are considered as options for accounting purposes, are described in Group's Consolidated Financial Statements for the year ended 30 June 2023.

- Employee Share Plan
- 2021 Executive Director Liquidity and Price Target Options
- Employee Option Plan
- Non-Executive Director Option Plan
- $75 Exercise Price Options
- 2022 Long-Term Incentive Plan Restricted Stock Units
- 2023 Long-Term Incentive Plan Restricted Stock Units (see below for the grants made under this 2023 LTIP this period)

2023 Long-Term Incentive Plan Restricted Stock Units

On July 1, 2023, our Board approved a revised long term incentive plan under which participating employees have been granted RSUs in three tranches, the first two tranches being time-based vesting conditions and the third tranche being performance-based vesting conditions. RSUs issued under the revised long term incentive plan are subject to other terms and conditions contained in the plan.

Under the terms of the plan, the Board maintains sole discretion over the administration, eligibility and vesting criteria of instruments issued under the LTIP.

During the nine month period ended 31 March 2024, the following grants were made under the 2023 LTIP:

- 3,194,491 RSUs to certain employees and key management personnel ("KMP") of the Group were issued RSUs of which:
  - 33.3% of each individual's RSU grant are subject to time-based vesting conditions and will vest after one years;
  - 33.3% of each individual's RSU grant are subject to time-based vesting conditions and will vest after two years;
  - 33.4% of each individual's RSU grant are subject to performance-based vesting conditions and will vest after three years based on total shareholder return measured against the Nasdaq Small Cap Index (NQUSS) (and continued service over the vesting period).
- 120,303 RSUs to certain Non-Executive Directors. These RSUs will vest after one year.

Note 17. Share-based payments (continued)

Reconciliation of outstanding share options
Set out below are summaries of options granted under all plans:

	Number of options 31 Mar 2024	Weighted average exercise price 31 Mar 2024	Number of options 30 Jun 2023	Weighted average exercise price 30 Jun 2023
Outstanding as at 1 July 2023	8,906,839	$ 41.93	9,010,547	$ 41.67
Granted during the period	-	$ 0.00	-	$ 0.00
Forfeited during the period	-	$ 0.00	(103,708)	$ 20.03
Vested during the period	-	$ 0.00	-	$ 0.00
Outstanding as at 31 March 2024	8,906,839	$ 41.93	8,906,839	$ 41.93
Exercisable as at 31 March 2024	3,615,546	$ 2.92	3,485,302	$ 2.97

As at 31 March 2024, the weighted average remaining contractual life of options outstanding is 6.63 years (30 June 2023: 7.57 years). As at 31 March 2024 the exercise prices associated with the options outstanding ranges from $1.53 to $75.00 (30 June 2023: $1.53 to $75.00).
The Company recorded a total of $3,092,000 and $9,397,000 respectively as share based payment expense during the three and nine months ended 31 March 2024 ($3,150,000 and $9,273,000 for three and nine months ended 31 March 2023), based on the vesting schedule of such options.

Reconciliation of outstanding RSUs
Set out below are summaries of RSUs granted under all plans:

	Number of RSUs 31 Mar 2024
Outstanding as at 1 July 2023	3,623,867
Granted during the period	3,314,794
Forfeited during the period	(217,760)
Vested during the period	(104,559)
Outstanding as at 31 March 2024	6,616,342
Exercisable as at 31 March 2024	-

As at 31 March 2024, the weighted average remaining contractual life of RSUs outstanding is 3.01 years (30 June 2023: 4.55 years). All RSUs have a nil weighted average exercise price.
The Company recorded a total of $2,725,000 and $8,225,000 respectively as share based payment expense based on the vesting schedule of the granted RSUs during the three and nine months ended 31 March 2024 ($352,000 and $1,000,000 for the three and nine months ended 31 March 2023).

Note 18. Related party transactions

Parent entity
Iris Energy Limited(d.b.a IREN) is the ultimate parent entity.

Changes in key management personnel
There have been no new appointments made to key management personnel during the period.

Transactions with related parties
There were no transactions with related parties during the current and previous period.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans from/to related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 19. Events after the reporting period

ATM Facility
Subsequent to 31 March 2024, the Company issued a further 8,172,310 Ordinary shares for total gross proceeds of approximately $44,886,000.

Bitmain Hardware Purchase and Options Agreements
On 9 May 2024, the Group entered into a new firm purchase agreement with Bitmain Technologies Delaware Limited ("Bitmain") to purchase approximately 51,480 Bitmain S21 Pro miners (12.0 EH/s) at a price of $18.9/TH. The purchased miners are scheduled to be shipped in July and August 2024. The total contracted cost is $227,676,000 payable in instalments.

This new agreement also includes an additional purchase option to procure approximately 51,480 Bitmain S21 Pro (12.0 EH/s) at a price of $18.9/TH including a non-refundable deposit of $22,768,000 as an initial 10% option down payment. The options can be exercised incrementally over the option period until May 2025. If the entire option is exercised, the total contracted cost will be $227,676,000.

Additionally on 9 May 2024, the Group amended its existing option agreement with Bitmain. Under the existing agreement the Group paid a non-refundable deposit of $12,768,000 in January 2024 as an initial 10% option down payment in relation to a hardware purchase option to acquire up to approximately 48,000 Bitmain T21 miners (9.1 EH/s) at a price of $14/TH. The total contracted cost under the existing agreement is $127,680,000.

The amended option agreement provides additional flexibility to exercise the options to procure either Bitmain T21 miners, with the contracted cost remaining unchanged, or upgrade to approximately 48,000 S21 Pro miners, at a total contracted cost of $212,285,000 being $18.90/TH for 11.2 EH/s. The amended option agreement also allows for the exercise of a combination of both T21 or S21 Pro miners. The amended agreement requires an additional non-refundable deposit of $8,460,000 to be paid within seven days of signing the amendment. The amended options can be exercised incrementally over the option period until March 2025.

Decisions with respect to exercising all, some or none of the miner purchase options will be made during the respective option periods.

Registration statement
On 15 May 2024, the Board approved the filing of a new registration statement, including an accompanying prospectus, providing for the offer and sale of $500,000,000 of securities by the Company, as well as a prospectus supplement relating to the offer and sale of $500,000,000 additional ordinary shares pursuant to the current ATM facility (see Note 13 for further details). The registration statement is not yet effective, but if declared effective, the registration statement, together with the accompanying prospectus and prospectus supplement relating to the Sales Agreement, would provide the Company with the option, but not the obligation, to sell an additional $500,000,000 of ordinary shares pursuant to the Sales Agreement.

No other matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Exhibit 99.4

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (this "MD&A") for Iris Energy Limited should be read together with our unaudited interim consolidated financial statements for the three- and nine-months ended March 31, 2024 and the related notes thereto included elsewhere in the Report on Form 6-K of which this MD&A forms a part (this "Form 6-K"), and our audited consolidated financial statements as of and for the fiscal year ended June 30, 2023 and the related notes included in our Annual Report on Form 20-F for the year ended June 30, 2023 (our "Annual Report"), which is available through the U.S. Securities and Exchange Commission's ("SEC") Electronic Data Gathering and Analysis Retrieval ("EDGAR") system at http://www.sec.gov. This MD&A is based on our financial information prepared in accordance with the IFRS, as issued by the IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including U.S. GAAP.

All references to "U.S. dollars," "dollars," "$," "USD" or "US$" are to the U.S. dollar. All references to "Australian dollars," "AUD" or "A$" are to the Australian dollar, the official currency of Australia. All references to "Canadian dollars," "CAD" or "C$" are to the Canadian dollar, the official currency of Canada. All references to "IFRS" are to International Financial Reporting Standards, as issued by the International Accounting Standards Board, or the "IASB".

Unless otherwise indicated or the context otherwise requires, all references in this MD&A to the terms "the Company," "the Group," "our," "us," and "we" refer to Iris Energy Limited and its subsidiaries.

The consolidated financial statements which accompany this MD&A and are included in this Form 6-K are presented in U.S. dollars, which is Iris Energy Limited's presentation currency. We prepared our unaudited interim consolidated financial statements for the three- and nine-months ended March 31, 2024 and 2023 in accordance with IFRS, as issued by the IASB. Unless otherwise noted, our financial information presented herein is stated in U.S. dollars, our presentation currency.

Our fiscal year ends on June 30. References in this MD&A to a fiscal year, such as "fiscal year 2024," "fiscal year 2023" and "fiscal year 2022" relate to our fiscal year ended on June 30 of that calendar year.

Amounts in this MD&A have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Forward-Looking Statements

Some of the information contained in this MD&A, including information with respect to our plans and strategy for our business, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "may," "can," "should," "could," "might," "plan," "possible," "project," "strive," "budget," "forecast," "expect," "intend," "target", "will," "estimate," "predict," "potential," "continue," "scheduled" or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. Actual results may differ materially from those contained in any forward-looking statements.

These forward-looking statements are based on management's current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to:

- Bitcoin price and foreign currency exchange rate fluctuations;

- our ability to obtain additional capital on commercially reasonable terms and in a timely manner to meet our capital needs and facilitate our expansion plans;
- the terms of any future financing or any refinancing, restructuring or modification to the terms of any future financing, which could require us to comply with onerous covenants or restrictions, and our ability to service our debt obligations, any of which could restrict our business operations and adversely impact our financial condition, cash flows and results of operations;
- our ability to successfully execute on our growth strategies and operating plans, including our ability to continue to develop our existing data center sites and to diversify into the market for high performance computing ("HPC") solutions, and in particular any current or future AI Cloud ("AI Cloud") Services we offer;
- our limited experience with respect to new markets we have entered or may seek to enter, including the market for AI Cloud Services;
- expectations with respect to the ongoing profitability, viability, operability, security, popularity and public perceptions of the Bitcoin network;
- expectations with respect to the profitability, viability, operability, security, popularity and public perceptions of any current or future AI Cloud Services we offer;
- our ability to secure and retain customers on commercially reasonable terms or at all, particularly as it relates to our strategy to expand into AI Cloud Services;
- our ability to manage counterparty risk (including credit risk) associated with any current or future customers, including customers of our AI Cloud Services and other counterparties;
- our ability to secure renewable energy, renewable energy certificates, power capacity, facilities and sites on commercially reasonable terms or at all;
- the risk that any current or future customers, including customers of our AI Cloud Services or other counterparties, may terminate, default on or underperform their contractual obligations;
- Bitcoin global hashrate fluctuations;
- delays associated with, or failure to obtain or complete, permitting approvals, grid connections and other development activities customary for greenfield or brownfield infrastructure projects;
- our reliance on power and utilities providers, third party mining pools, exchanges, banks, insurance providers and our ability to maintain relationships with such parties;
- expectations regarding availability and pricing of electricity;
- our participation and ability to successfully participate in demand response products and services and other load management programs run, operated or offered by electricity network operators, regulators or electricity market operators;
- the availability, reliability and/or cost of electricity supply, hardware and electrical and data center infrastructure, including with respect to any electricity outages and any laws and regulations that may restrict the electricity supply available to us;
- any variance between the actual operating performance of our miner hardware achieved compared to the nameplate performance including hashrate;
- our ability to curtail our electricity consumption and/or monetize electricity depending on market conditions, including changes in Bitcoin mining economics and prevailing electricity prices;
- actions undertaken by electricity network and market operators, regulators, governments or communities in the regions in which we operate;
- the availability, suitability, reliability and cost of internet connections at our facilities;
- our ability to secure additional hardware, including hardware for Bitcoin mining and any current or future AI Cloud Services we offer, on commercially reasonable terms or at all, and any delays or reductions in the supply of such hardware or increases in the cost of procuring such hardware;
- expectations with respect to the useful life and obsolescence of hardware (including hardware for Bitcoin mining as well as hardware for other applications, including any current or future AI Cloud Services we offer);
- delays, increases in costs or reductions in the supply of equipment used in our operations;
- our ability to operate in an evolving regulatory environment;
- our ability to successfully operate and maintain our property and infrastructure;
- reliability and performance of our infrastructure compared to expectations;
- malicious attacks on our property, infrastructure or IT systems;
- our ability to maintain in good standing the operating and other permits and licenses required for our operations and business;
- our ability to obtain, maintain, protect and enforce our intellectual property rights and confidential information;

- any intellectual property infringement and product liability claims;
- whether the secular trends we expect to drive growth in our business materialize to the degree we expect them to, or at all;
- the occurrence of any environmental, health and safety incidents at our sites, and any material costs relating to environmental, health and safety requirements or liabilities;
- damage to our property and infrastructure and the risk that any insurance we maintain may not fully cover all potential exposures;
- ongoing proceedings relating to the default by two of the Company's wholly-owned special purpose vehicles under limited recourse equipment financing facilities; ongoing securities litigation relating in part to the default; and any future litigation, claims and/or regulatory investigations, and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;
- our failure to comply with any laws including the anti-corruption laws of the United States and various international jurisdictions;
- any failure of our compliance and risk management methods;
- any laws, regulations and ethical standards that may relate to our business, including those that relate to Bitcoin and the Bitcoin mining industry and those that relate to any other services we offer (such as AI Cloud Services), including regulations related to data privacy, cybersecurity and the storage, use or processing of information;
- our ability to attract, motivate and retain senior management and qualified employees;
- increased risks to our global operations including, but not limited to, political instability, acts of terrorism, theft and vandalism, cyberattacks and other cybersecurity incidents and unexpected regulatory and economic sanctions changes, among other things;
- climate change, severe weather conditions and natural and man-made disasters that may materially adversely affect our business, financial condition and results of operations;
- public health crises, including an outbreak of an infectious disease (such as COVID-19) and any governmental or industry measures taken in response;
- our ability to remain competitive in dynamic and rapidly evolving industries;
- damage to our brand and reputation;
- expectations relating to Environmental, Social and Governance issues or reporting;
- the costs of being a public company;
- and other important factors discussed under "Item 3.D. Key Information—Risk Factors" in our Annual Report, as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC's website at www.sec.gov and the Investor Relations section of the Company's website at https://investors.irisenergy.co.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this MD&A. Any forward-looking statement that the Company makes in this MD&A speaks only as of the date of such statement. Except as required by law, the Company disclaims any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a leading owner and operator of next-generation data centers powered by 100% renewable energy (whether from clean or renewable energy sources or through the purchase of RECs). Our data centers are purpose-built for high performance compute and today support a combination of ASICs for Bitcoin mining and GPUs for AI workloads.

Our Bitcoin mining operations generate revenue by earning Bitcoin through a combination of block rewards and transaction fees from the operation of our specialized computers called ASICs (which we refer to as "Bitcoin miners") and exchanging these Bitcoin for fiat currencies, such as U.S. dollars or Canadian dollars.

We have been mining Bitcoin since 2019. We typically liquidate all the Bitcoin we mine daily and therefore did not have any Bitcoin held on our balance sheet as of March 31, 2024. To date we have utilized Kraken, a U.S.-based digital asset trading platform, to liquidate the Bitcoin we mine. The mining pools, that we utilize for the purposes of our Bitcoin mining, transfer the Bitcoin that we have mined to Kraken on a daily basis. Such Bitcoin is then exchanged for fiat currency on the Kraken exchange or via its over-the-counter trading desk.

We are also pursuing a strategy to diversify our revenue streams into new markets. In June 2023, we announced that we have revitalized our strategy of developing HPC solutions, which currently is targeted at delivering AI Cloud Services. In August 2023 we announced the purchase of 248 NVIDIA H100 GPUs to target generative AI. In February 2024, we announced a three-month GPU cloud service agreement with Poolside SAS AI (the "Poolside Agreement") to utilise those GPUs (with an option to extend for a further three months at the customer's election) along with the further purchase of 568 NVIDIA H100 GPUs to service potential customer demand. In April 2024, we announced the upsize of the Poolside Agreement from 248 to 504 NVIDIA H100 GPUs and the extension of the Poolside Agreement for an additional four month term commencing in April 2024 (with an option to extend for a further two months at the customer's election).

Our cash and cash equivalents were $259.7 million as of March 31, 2024. Our total revenue was $131.3 million and $47.7 million for the nine months ended March 31, 2024 and 2023, respectively. We generated a loss after income tax (expense)/benefit of $(1.9) million and $(164.9) million for the nine months ended March 31, 2024 and 2023, respectively. We generated EBITDA of $22.5 million and $(122.7) million for the nine months ended March 31, 2024 and 2023, respectively. We generated Adjusted EBITDA of $42.5 million and $(7.7) million for the nine months ended March 31, 2024 and 2023, respectively. EBITDA and Adjusted EBITDA are financial measures not defined by IFRS. For a definition of EBITDA and Adjusted EBITDA, an explanation of our management's use of these measures and a reconciliation of EBITDA and Adjusted EBITDA to loss after income tax (expense)/benefit, see "Key Indicators of Performance and Financial Conditions."

We are a vertically integrated business, and both own and operate our computing hardware consisting of Bitcoin mining ASICs and AI Cloud Services GPUs, as well as our electrical infrastructure and data centers. We target development of data centers in regions where there are low-cost, abundant, and attractive renewable energy sources. We have ownership of our proprietary data centers and electrical infrastructure, including freehold and long-term leasehold land. This provides us with additional security and operational control over our assets. We believe data center ownership also allows our business to benefit from more sustainable cash flows and operational flexibility in comparison with operators that rely upon third-party hosting services or short-term land leases which may be subject to termination rights, profit sharing arrangements and/or potential changes to contractual terms such as pricing. We assess opportunities to utilize our available data center capacity on an ongoing basis, including via potential third party hosting and alternative revenue sources. We also focus on grid-connected power access which we believe not only helps facilitate a more reliable, long-term supply of power, but also provides us with the ability to support the energy markets in which we operate (for example, through potential participation in demand response, ancillary services provision, and load management in deregulated markets such as Texas).

In January 2020, we acquired our first site in Canal Flats, located in British Columbia, Canada ("BC"), from PodTech Innovation Inc. and certain of its related parties. This site is our first operational site and has been operating since 2019, and, as of April 2024, has approximately 30MW of data center capacity and hashrate capacity of approximately 0.9 EH/s (assuming full utilization of existing available data center capacity with Bitmain S19j Pro miners).

In addition, we have constructed data centers at our other BC sites in Mackenzie and Prince George. Our Mackenzie site has been operating since April 2022 and, as of April 2024, has approximately 80MW of data center capacity and hashrate capacity of approximately 2.7 EH/s (assuming full utilization of existing available data center capacity with Bitmain S19j Pro miners). Our Prince George site has been operating since September 2022 and, as of April 2024, has approximately 50MW of data center capacity and hashrate capacity of approximately 1.6 EH/s (assuming full utilization of existing available data center capacity with Bitmain S19j Pro miners). Our deployments of 816 NVIDIA H100 GPUs are also located at our Prince George site.

Each of our sites in British Columbia are connected to the British Columbia Hydro and Power Authority ("BC Hydro") electricity transmission network and have been 100% powered by renewable energy since commencement of operations (currently approximately 98% sourced from clean or renewable sources as reported by BC Hydro and approximately 2% sourced from the purchase of RECs). Our contracts with BC Hydro have an initial term of one year and, unless terminated at the end of the initial term shall extend until terminated in accordance with the terms of the agreement upon six months' notice.

We have commenced operations at our Childress site (total potential power capacity of 600MW), located in the renewables-heavy Panhandle region of Texas, U.S. Our Childress site has been operating since April 2023 and, as of May 14, 2024, has 100MW of data center capacity and hashrate capacity of approximately 4.8 EH/s. As of April 2024, we have purchased RECs in respect of 100% of our energy consumption to date at our Childress site.

We are targeting expansion of our data center capacity at Childress to 350MW in 2024 and have commenced construction for Childress Phase 2 (additional 100MW) and Phase 3 (additional 150MW).

As of May 14, 2024, we have approximately 260MW of data center capacity and hashrate capacity of approximately 10 EH/s across our sites in BC (160MW) and Texas (100MW).

Our Growth Strategy

Our current focus is on expanding our installed hashrate capacity to 30 EH/s and data center capacity to 510MW. This is planned through Childress Phases 2-3 construction (targeting an additional 250MW of data center capacity), upgrading our existing mining fleet and exercising miner purchase options.

Decisions with respect to the Childress expansion and exercising all, some or none of the miner purchase options will be made during 2024, taking into consideration market conditions, shareholder value and funding availability.

We believe we have the ability to further grow our data center capacity at our Childress site up to the total potential site capacity of 600MW in the future.

Our business strategy remains focused on continuing to expand our self-mining capacity by further growing our available data center capacity and acquiring additional miners as described under "Recent Developments – Hardware Purchases".

Furthermore, we have announced a new 1,400MW data center development site located in the renewables-heavy West region of Texas, US. We have paid an initial $4.7 million connection deposit and expect the site to be in-service in late 2026.

We are also pursuing a strategy to diversify our revenue streams into new markets. In June 2023, we announced that we have revitalized our strategy of developing HPC solutions, which currently is targeted at delivering AI Cloud Services. In August 2023, we announced the purchase of 248 NVIDIA H100 GPUs to target generative AI. In February 2024, we announced the Poolside Agreement to utilise those GPUs (with an option to extend for a further three months at the customer's election) along with the further purchase of 568 NVIDIA H100 GPUs to service potential customer demand. In April 2024, we announced the upsize of the Poolside Agreement from 248 to 504 NVIDIA H100 GPUs and the extension of the Poolside Agreement for an additional four month term commencing in April 2024 (with an option to extend for a further two months at the customer's election). We believe we may be able to leverage our existing infrastructure and expertise to expand our offering AI Cloud Services and target a range of industries and applications, such as AI/ML, scientific research, and rendering.

Recent Developments

Hardware Purchases

In August 2023, we entered into a purchase agreement for 248 NVIDIA H100 GPUs for a total purchase price of approximately $10 million, which have been deployed at our Prince George site. In February 2024, we entered into a further purchase agreement for 568 NVIDIA H100 GPUs for a total purchase price of approximately $22 million.

In October 2023, we entered into a miner purchase agreement with Bitmain Technologies Delaware Limited ("Bitmain") to acquire 7,002 latest-generation Bitmain S21 miners with a total hashrate of 1.4 EH/s for $19.6 million, of which $2.9 million is deferred until one year after shipment. All Bitmain S21 miners under this purchase contract have been delivered in full. As of April 30, 2024 we have paid $16.7 million relating to this purchase agreement.

In November 2023, we entered into a miner purchase agreement with Bitmain to acquire 7,000 new-generation Bitmain T21 miners with a total hashrate of 1.3 EH/s for $18.6 million with an option to increase to 15,380 new-generation Bitmain T21 miners with an additional hashrate of 1.6 EH/s (for an additional $22.3 million) that was exercised in December 2023 which are expected to be shipped in full before June 2024. As of April 30, 2024, we have paid $37.2 million relating to this purchase agreement including $14.9 million on the purchase of miners and $22.3 million on the exercised option.

In January 2024, we entered into a miner purchase agreement with Bitmain to acquire 5,000 new-generation Bitmain T21 miners with a total hashrate of 1.0 EH/s for $13.3 million with options exercisable on or before September 30, 2024, to increase to up to 53,000 new-generation Bitmain T21 miners with an additional hashrate of 9.1 EH/s at a fixed purchase price of $14 per TH/s. The initial 5,000 new-generation Bitmain T21 miners are expected to be shipped before July 2024 and the miner purchase options have delivery dates through the second half of 2024 (to the extent exercised). As of April 30, 2024, we have paid $19.4 million relating to this purchase agreement including $6.6 million on the purchase of miners and $12.8 million on the exercisable options.

In May 2024, we entered into an additional miner purchase agreement with Bitmain to acquire approximately 51,480 Bitmain S21 Pro miners (with a total hashrate of 12.0 EH/s) for $18.9/TH. The purchased miners are expected to be shipped in July and August 2024. The total purchase price is $227.7 million payable in instalments. This new agreement also includes an additional purchase option to procure approximately 51,480 Bitmain S21 Pro miners (with a total hashrate of 12.0 EH/s) for $18.9/TH including a non-refundable deposit of $22.8 million as an initial 10% option down payment. The options can be exercised incrementally over the option period until May 2025. If the entire option is exercised, the total purchase price will be $227.7 million.

Additionally, we amended the terms of our exercisable options under the existing miner purchase agreement with Bitmain (announced in January 2024 above). Under the existing agreement, in January 2024 we paid a non-refundable deposit of $12.8 million as an initial 10% down payment in relation to exercisable options to acquire up to approximately 48,000 Bitmain T21 miners (with a total hashrate of 9.1 EH/s) for $14/TH. The amended option agreement provides additional flexibility to exercise the options to procure either Bitmain T21 miners, with the total purchase price remaining unchanged, or upgrade to approximately 48,000 S21 Pro miners, at a total purchase price of $212.3 million being $18.90/TH for 11.2 EH/s. The amended option agreement also allows for the exercise options for a combination of both T21 or S21 Pro miners up to an aggregate of approximately 48,000 miners. The amended option agreement requires an additional non-refundable deposit of $8.5 million to be paid within 7 days of signing the amended option agreement. The amended options can be exercised incrementally over the option period until March 2025.

The Bitmain contracts are not able to be terminated by either party, are non-refundable except due to Bitmain's delay sending a shipping notification for the miners to us and default interest of 12% is charged on any unpaid amounts under each batch.

Factors Affecting Our Performance

Market Value of Bitcoin

We primarily derive our revenues from Bitcoin mining. We earn rewards from Bitcoin mining that are paid in Bitcoin. We currently liquidate rewards that we earn from mining Bitcoin in exchange for fiat currencies such as USD or CAD, typically on a daily basis. Because the rewards we earn from mining Bitcoin are paid in Bitcoin, our operating and financial results are tied to fluctuations in the value of Bitcoin. In addition, positive or negative changes in the global hashrate impact mining difficulty and therefore the rewards we earn from mining Bitcoins may as a result materially affect our revenue and margins.

In a declining Bitcoin price environment, the Bitcoin mining protocol may provide a natural downside protection for low-cost Bitcoin miners through an adjustment to the number of Bitcoin mined. For example, when the Bitcoin price falls, the ability for higher cost miners to pay their operating costs may be impacted, which in turn may lead over time to higher cost miners switching off their operations (for example, if their marginal cost of power makes it unprofitable to continue mining, they may exit the network). As a result, in such circumstances the global hashrate may fall, and remaining low-cost miners may benefit from an increased percentage share of the fixed Bitcoin network rewards.

Conversely, in a rising Bitcoin price environment, additional mining machines may be deployed by miners, leading to increased global hashrate in the overall network. In periods of rising Bitcoin prices we may increase our capital expenditures in mining machines and related infrastructure to take advantage of potentially faster return on investments, subject to availability of capital and market conditions. However, we also note that the global hashrate may also increase or decrease irrespective of changes in the Bitcoin price.

While the supply of Bitcoin is capped at 21 million, the price of Bitcoin fluctuates not just because of traditional notions of supply and demand but also because of the dynamic nature of the market for Bitcoin. Having been created in just a little over a decade as of the date of this Form 6-K, the market for Bitcoin is rapidly changing and subject to global regulatory, tax, political, environmental, cybersecurity, and market factors beyond our control. For a discussion of other factors that could lead to material adverse changes in the market value of Bitcoin, which could in turn result in substantial damage to or even the failure of our business, see “Item 3. Key Information—Risk Factors—Risks Related to our Business” in our Annual Report for further information.

Further, the rewards for each Bitcoin mined is subject to “halving” adjustments at predetermined intervals. At the outset, the reward for mining each block was set at 50 Bitcoins and this was cut in half to 25 Bitcoins on November 28, 2012 at block 210,000, cut in half again to 12.5 Bitcoins on July 9, 2016 at block 420,000, cut in half again to 6.25 Bitcoins on May 11, 2020 at block 630,000, and cut in half again to 3.125 Bitcoins on April 20, 2024 at block 840,000. The next two halving events for Bitcoin are expected to take place in 2028 at block 1,050,000 (when the reward will reduce to 1.5625 Bitcoins), and in 2032 at block 1,260,000 (when the reward will reduce to 0.78125 Bitcoins). As the rewards for each Bitcoin mined reduce, the Bitcoin we earn relative to our hashrate capacity decrease. As a result, these adjustments have had, and will continue to have, material effects on our operating and financial results.

Efficiency of Mining Machines

As global mining capacity increases, we will need to correspondingly increase our total hashrate capacity in order to maintain our proportionate share relative to the overall global hashrate —all else being equal—to maintain the same amount of Bitcoin mining revenue. To remain cost competitive compared to other mining sector participants, in addition to targeting cost effective sources of energy and operating efficient data center infrastructure, we may also need to maintain an energy efficient mining fleet.

Our Bitcoin mining operations currently utilize the Bitmain S19j Pro miners, S19 XP miners, T21 miners and S21 miners, with additional miner purchase and/or option agreements for Bitmain S21 Pro and T21 miners.

In certain periods, there may be disruption in global supply chain leading to shortage of advanced mining machines that meet our standard of quality and efficiency. To maintain our competitive edge over the long-term, we strive to maintain strong relationships with suppliers and vendors across the supply chain to ensure that our fleet of miners is competitive.

Ability to Secure Low-Cost Renewable Power

Bitcoin mining consumes extensive energy for both the mining and cooling aspects of the operation. In particular, we believe the increasing difficulty of the network, driven by more miners and higher global hashrate, and the periodic halving adjustments of Bitcoin reward rates, will drive the increasing importance of power efficiency in Bitcoin mining over the long-term.

Governments and regulators are increasingly focused on the energy and environmental impact of Bitcoin mining activities. This has led, and could lead, to new governmental measures regulating, restricting or prohibiting the use of electricity for Bitcoin mining activities, or Bitcoin mining activities generally. The price we pay for electricity depends on numerous factors including sources of generation, regulatory environment, electricity market structure, commodity prices, instantaneous supply/demand balances, counterparty and procurement method. These factors may be subject to change over time and result in increased power costs. In regulated markets, such as in BC, suppliers of renewable power rely on regulators to approve raises in rates, resulting in fluctuations subject to requests for rate increases and there approval thereof; in deregulated markets, such as in Texas, prices of renewable power will fluctuate with the wholesale market (including price fluctuations in commodity prices such as the price of fossil fuels).

Competitive Environment

We compete with a variety of miners globally, including individual hobbyists, mining pools and public and private companies. We believe that, even if the price of Bitcoin decreases, the market will continue to draw new miners and increase the scale and sophistication of competition in the Bitcoin mining industry. Increasing competition generally results in increase to the global hashrate, which in turn would generally lead to a reduction in the percentage share of the fixed Bitcoin network rewards that Bitcoin miners, including the Company, would earn.

Market Events Impacting the Digital Asset Industry

In the past, market events in the digital asset industry have negatively impacted market sentiment towards the broader digital asset industry. There have also been declines from time to time in the value of digital assets, including the value of Bitcoin, in connection with these events, which have impacted the Group from a financial and operational perspective. We expect that any such declines that may occur in the future would also impact the business and operations of the Group, and if such declines are significant, they could result in reduced revenue and operating cash flows and increased net operating losses, and could also negatively impact our ability to raise additional financing.

Market Events Impacting Digital Asset Trading Platforms

In the past, market events in the digital asset markets have involved and/or impacted certain digital asset trading platforms. As described under "Item 3.D. Key Information—Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in our Annual Report, we are subject to a number of risks outside our control which could impact our business.

Ability to Expand AI Cloud Services and Secure Customers

Our growth strategies include pursuing a strategy to diversify our revenue streams into new markets. We have revitalized our strategy of exploring the development of HPC solutions, and are currently targeting the provision of AI Cloud Services pursuant to that strategy. We believe we may be able to leverage our existing infrastructure and expertise to continue to expand our AI Cloud Services offering and target a range of customers across various sectors. Our ability to secure and retain customers on commercially reasonable terms or at all, will affect our expansion into AI Cloud Services. Our strategy may not be successful as a result of a number of factors described under "Item 3.D. Key Information—Risk Factors—Risks Related to Our Business—Our increased focus on potential HPC solutions may not be successful and may result in adverse consequences to our business, results of operations and financial condition" in our Annual Report. Our efforts to continue the diversification of our revenue streams may distract management, require significant additional capital, expose us to new competition and market dynamics, and increase our cost of doing business.

Key Indicators of Performance and Financial Condition

Key operating and financial metrics that we use, in addition to our IFRS consolidated financial statements, to assess the performance of our business are set forth below for the three and nine months ended March 31, 2024 and 2023, include:

EBITDA

EBITDA is not presented in accordance with IFRS, and is defined as profit /(loss) after income tax expense, excluding interest income, income tax expense, depreciation and amortization, other finance expenses, and non-cash fair value gains and losses on hybrid financial instruments, which are important components of our IFRS profit/(loss) after income tax expense. As a capital-intensive business, EBITDA excludes in the impact of the cost of depreciation of mining equipment and other fixed assets, which allows us to measure the liquidity of our business on a current basis and we believe provides a useful tool for comparison to our competitors in a similar industry. We believe EBITDA is a useful metric for assessing operating performance before the impact of non-cash and other items. Our presentation of EBITDA should not be construed as an inference that our future results will be unaffected by these items.

We believe EBITDA and EBITDA Margin have limitations as analytical tools. These measures should not be considered as alternatives to profit/(loss) after income tax expense, as applicable, determined in accordance with IFRS. They are supplemental measures of our operating performance only, and as a result you should not consider these measures in isolation from, or as a substitute analysis for, our profit/(loss) after income tax as determined in accordance with IFRS, which we consider to be the most comparable IFRS financial measure. For example, we expect depreciation of our fixed assets will be a large recurring expense over the course of the useful life of our assets. EBITDA and EBITDA Margin do not have any standardized meaning prescribed by IFRS and therefore are not necessarily comparable to similarly titled measures used by other companies, limiting their usefulness as a comparative tool.

The following table shows a reconciliation of EBITDA to loss after income tax (expense)/benefit:

	Three months ended March 31, 2024 ($ thousands)	**Three months ended March 31, 2023 ($ thousands)**	**Nine months ended March 31, 2024 ($ thousands)**	**Nine months ended March 31, 2023 ($ thousands)**
Profit/(loss) after income tax (expense)/ benefit	8,638	(3,053)	(1,889)	(164,947)
Add/(deduct) the following:				
Finance expense	126	2,311	190	16,227
Interest income	(1,500)	(244)	(2,878)	(458)
Depreciation	8,692	5,125	23,870	24,122
Income tax (benefit)/expense	3,473	321	3,228	2,349
EBITDA	**19,429**	**4,460**	**22,521**	**(122,707)**
Revenue	**54,349**	**16,382**	**131,320**	**47,668**
Profit/(loss) after income tax (expense) /benefit margin(1)	**16%**	**(19)%**	**(1)%**	**(346)%**
EBITDA margin(2)	**36%**	**27%**	**17%**	**(257)%**

(1) Profit/(loss) after income tax (expense)/benefit margin is calculated as Loss after income tax (expense)/benefit divided by Revenue.

(2) EBITDA margin is calculated as EBITDA divided by Revenue. Prior to the three months ended March 31, 2024, the Company calculated EBITDA margin as EBITDA divided by Bitcoin mining revenue. The Company has revised the calculation of EBITDA margin to reflect that Revenue now includes revenue generated from AI Cloud Services as a result of its strategy to diversify its revenue streams. EBITDA margin for prior periods presented in this MD&A has been revised to reflect this revised calculation.

Adjusted EBITDA

Adjusted EBITDA is not presented in accordance with IFRS, and is defined as EBITDA as further adjusted to exclude share-based payments expense, foreign exchange gains/losses, impairment of assets, certain other non-recurring income, loss on disposal of property, plant and equipment, gain on disposal of subsidiaries, unrealized fair value gains/losses on financial assets, and certain other expense items. Beginning in the fiscal year ended June 30, 2024, the Company has changed its definition of Adjusted EBITDA to exclude unrealized fair value gains/losses on financial instruments and has further changed its definition to exclude gain on disposal of subsidiaries. These are changes from the presentation of Adjusted EBITDA in prior periods. We believe Adjusted EBITDA is a useful metric because it allows us to monitor the profitability of our business on a current basis and removes expenses which do not impact our ongoing profitability and which can vary significantly in comparison to other companies. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these items.

We believe Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools. These measures should not be considered as alternatives to profit/(loss) after income tax expense, as applicable, determined in accordance with IFRS. They are supplemental measures of our operating performance only, and as a result you should not consider these measures in isolation from, or as a substitute analysis for, our profit/(loss) after income tax as determined in accordance with IFRS, which we consider to be the most comparable IFRS financial measure. For example, we expect depreciation of our fixed assets will be a large recurring expense over the course of the useful life of our assets, and that share-based compensation is an important part of compensating certain employees, officers and directors. Adjusted EBITDA and Adjusted EBITDA Margin do not have any standardized meaning prescribed by IFRS and therefore are not necessarily comparable to similarly titled measures used by other companies, limiting their usefulness as a comparative tool.

The following table shows a reconciliation of Adjusted EBITDA to loss after income tax (expense)/benefit:

	Three months ended March 31, 2024	**Three months ended March 31, 2023**	**Nine months ended March 31, 2024**	**Nine months ended March 31, 2023**
	($ thousands)	**($ thousands)**	**($ thousands)**	**($ thousands)**
Profit/(loss) after income tax (expense)/benefit	8,638	(3,053)	(1,889)	(164,947)
Add/(deduct) the following:	-	-	-	-
Finance expense	126	2,311	190	16,227
Interest income	(1,500)	(244)	(2,878)	(458)
Depreciation	8,692	5,125	23,870	24,122
Income tax (benefit)/expense	3,473	321	3,228	2,349
EBITDA	**19,429**	**4,460**	**22,521**	**(122,707)**
Revenue	**54,349**	**16,382**	**131,320**	**47,668**
Profit/(loss) after income tax (expense)/benefit margin(1)	**16%**	**(19)%**	**(1)%**	**(346)%**
EBITDA margin(2)	**36%**	**27%**	**17%**	**(257)%**
Add/(deduct) the following:				
Gain on disposal of subsidiary(3)	-	(3,257)	-	(3,257)
Impairment of assets(4)	-	-	-	105,172
Reversal of impairment of assets(5)	-	-	(108)	-
Share-based payment expense – $75 exercise price options	2,873	2,913	8,682	8,868
Share-based payment expense – other	2,944	590	8,940	1,405
Foreign exchange (gain)/loss	(4,714)	(4,557)	(2,265)	2,619
Other expense items(6)	218	58	3,404	175
Unrealized (gain)/loss on financial asset	1,091	-	1,349	-
Adjusted EBITDA	**21,841**	**207**	**42,523**	**(7,725)**
Adjusted EBITDA margin(7)	**40%**	**1%**	**32%**	**(16)%**

(1) Profit/(loss) after income tax (expense)/benefit margin is calculated as Profit/(loss) after income (expense)/benefit divided by Revenue.

(2) EBITDA margin is calculated as EBITDA divided by Revenue. Prior to the three months ended March 31, 2024, the Company calculated EBITDA margin as EBITDA divided by Bitcoin mining revenue. The Company has revised the calculation of EBITDA margin to reflect that Revenue now includes revenue generated from AI Cloud Services as a result of its strategy to diversify its revenue streams. EBITDA margin for prior periods presented in this MD&A has been revised to reflect this revised calculation.

(3) Gain on disposal of subsidiary represents a gain recorded on the deconsolidation of two separate wholly-owned, special purpose vehicles of the Company (collectively the "Non-Recourse SPVs") on February 3, 2023.

(4) Impairment of assets for the nine months ended March 31, 2024 and March 31, 2023 was nil and $105.2 million, respectively. Impairment of assets for the three months ended March 31, 2024 and March 31, 2023 was nil and $105.2 million, respectively. See "—Components of our Results of Operations—Expenses—Impairment of assets" for further information.

(5) Reversal of impairment of assets for the nine months ended March 31, 2024 and March 31, 2023 was $0.1 million and nil, respectively. Reversal of impairment of assets for the three months ended March 31, 2024 and March 31, 2023 was nil and nil, respectively. See "—Components of our Results of Operations—Expenses—Impairment of assets" for further information.

(6) Other expense items include professional fees incurred in relation to the securities class action, and one-off additional remuneration.

(7) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue. Prior to the three months ended March 31, 2024, the Company calculated Adjusted EBITDA margin as Adjusted EBITDA divided by Bitcoin mining revenue. The Company has revised the calculation of Adjusted EBITDA margin to reflect that Revenue now includes revenue generated from AI Cloud Services as a result of its strategy to diversify its revenue streams. Adjusted EBITDA margin for prior periods presented in this MD&A has been revised to reflect this revised calculation.

Net electricity costs

Net electricity costs is not presented in accordance with IFRS, and is defined as the sum of electricity charges, realized gain/(loss) on financial asset, ERS revenue, and ERS fees. ERS revenue and ERS fees are included in Other income and Other operating expenses, respectively (as described in more detail in note 3 and note 4 of the unaudited interim consolidated financial statements included in this Form 6-K). As a business that includes the performance factor of being able to secure low-cost renewable power, net electricity costs allows us to measure the all-in-costs of electricity of our business on a current basis and we believe provides a useful tool for comparison to our competitors in a similar industry. We believe Net electricity costs is a useful metric for assessing operating performance including any gain/(loss) on the electricity purchased and subsequently resold, and earnings for our participation in demand response programs.

We believe Net electricity costs has limitations as an analytical tool. This measure should not be considered as alternative to electricity charges, as applicable, determined in accordance with IFRS. It is a supplemental measure of our operating performance only, and as a result you should not consider this measure in isolation from, or as a substitute analysis for, our electricity charges as determined in accordance with IFRS, which we consider to be the most comparable IFRS financial measure. Net electricity costs do not have any standardized meaning prescribed by IFRS and therefore are not necessarily comparable to similarly titled measures used by other companies, limiting their usefulness as a comparative tool.

The following table shows a reconciliation of Net electricity costs to the most comparable IFRS financial measure:

	Three months ended March 31, 2024 ($ thousands)	Three months ended March 31, 2023 ($ thousands)	Nine months ended March 31, 2024 ($ thousands)	Nine months ended March 31, 2023 ($ thousands)
Electricity Charges	(19,834)	(5,973)	(55,944)	(19,910)
Add/(deduct) the following:				
Realized gain/(loss) on financial asset	91	-	3,210	-
ERS revenue (included in Other income)	399	-	926	-
ERS fees (included in Other operating expenses)	(24)	-	(56)	-
Net electricity costs	**(19,368)**	**(5,973)**	**(51,864)**	**(19,910)**
Bitcoin mined	1,003	501	3,371	2,003
Net electricity costs per Bitcoin mined	**(19.3)**	**(11.9)**	**(15.4)**	**(9.9)**

The net electricity costs per Bitcoin mined increased from $9,940 for the nine months ended March 31, 2023 to $15,385 for the nine months ended March 31, 2024 primarily due to an increase in the average global hashrate.

The net electricity costs per Bitcoin mined increased from $11,922 for the three months ended March 31, 2023 to $19,310 for the three months ended March 31, 2024 primarily due to an increase in the average global hashrate.

Components of our Results of Operations

Revenue

Bitcoin mining revenue

The Group operates data center infrastructure supporting the verification and validation of Bitcoin blockchain transactions in exchange for Bitcoin, referred to as “Bitcoin mining”. The Company has entered into arrangements with mining pools, whereby computing power is directed to the mining pools in exchange for non-cash consideration in the form of Bitcoin. The provision of computing power is the only performance obligation in the contract with the mining pool operators.

The Company has the right to decide the point in time and duration for which it will provide hash computation services to the mining pools. The contracts are terminable at any time by either party without substantive compensation to the other party for such termination. Upon termination, the mining pool operator (i.e., the customer) is required to pay the Company any amount due related to previously satisfied performance obligations. Therefore, the Company has determined that the duration of the contract is less than 24 hours and that the contract continuously renews throughout the day.

In the mining pools which the Company participated in during the periods, the Company is not directly exposed to the pool’s success in mining blocks. The Company is rewarded in Bitcoin for the hashrate it contributes to these mining pools. The reward for the hashrate contributed by the Company is based on the current network difficulty and global daily revenues from transaction fees, less mining pool fees.

The fair value of the non-cash consideration is determined using the quantity of Bitcoin received multiplied by the spot price of the Bitcoin price at the end of the day at the website of Kraken, the trading platform over which we exchange the Bitcoin we have mined (“Kraken”).

Management considers the prices quoted on Kraken to be a Level 1 input under IFRS 13 Fair Value Measurement. The Group did not hold any Bitcoin on hand as at March, 31 2024 (March 31, 2023: Nil).

AI Cloud Services revenue

The Group generates AI Cloud Services revenue through the provision of AI Cloud Services to customers. Revenue is measured at the fair value of the consideration received or receivable for services, net of discounts and sales taxes.

Other income

Other income in the three and nine month periods ended March 31, 2024 has been earned for our participation in demand response programs at the Group's site in Childress, Texas. Other income in the three and nine month periods ended March 31, 2023 relates to the gain on sale of other assets.

Gain/(loss) on disposal of subsidiaries

Gain on disposal of subsidiaries represents a gain recorded on the deconsolidation of the Non-Recourse SPVs on February 3, 2023.

Expenses

Our expenses are characterized by the nature of the expense, with the main expense categories set out below.

Depreciation

We capitalize the cost of our buildings, plant and equipment and mining hardware. Depreciation expense is recorded on a straight-line basis to nil over the estimated useful life of the underlying assets. Our buildings are currently depreciated over 20 years, mining hardware is depreciated over 4 years, HPC hardware is depreciated over 5 years, and plant and equipment is depreciated over 3-10 years depending on the expected life of the underlying asset.

Electricity charges

Electricity charges primarily consist of the cost of electricity to power our data center sites. The price of electricity in BC is subject to a regulated tariff that may be adjusted by the supplier from time to time, resulting in increases or decreases in the cost of electricity we purchase. In Texas, the electricity market is deregulated and operates through a competitive wholesale market. Electricity prices in Texas are subject to many factors, such as, for example, fluctuations in commodity prices including the price of fossil fuels and other energy sources. Electricity at Childress, Texas is sourced from the Electricity Reliability Council of Texas ("ERCOT"), the organization that operates Texas' electrical grid. We may participate in demand response programs, load curtailment in response to prices, or other programs, as part of our electricity procurement strategies in Texas, including the use of automated systems to reduce our power consumption in response to market signals.

Realized gain/(loss) on financial asset

Realized gain/(loss) on financial asset represents a gain on the electricity purchased and subsequently resold under a power supply agreement at the Group's Childress site. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Employee benefits expense

Employee benefits expense represents salary and other employee costs, including superannuation and other similar payments and associated employee taxes.

Share-based payments expense

Share-based payments expense represents the amortization of share-based compensation arrangements that have been granted to directors, executive offers and management. These arrangements include, loan-funded share arrangements granted to management, options and restricted share units issued to directors, executive officers and management.

Impairment of assets

Impairment of assets represents impairment expense recorded on mining hardware, mining hardware prepayments, goodwill, development assets and other assets.

Reversal of impairment of assets

Reversal of impairment of assets represent the reversal of an impairment loss recognised on mining hardware, mining hardware prepayments, development assets and other assets in prior periods.

Professional fees

Professional fees represent legal fees, audit fees, broker fees and fees paid to tax, regulatory and other advisers.

Site expenses

Site expenses represent property taxes, repairs and maintenance, equipment rental, security, utilities and other general expenses required to operate the sites.

Other operating expenses

Other operating expenses represent insurance, marketing, office rent, charitable donations, a provision for non-refundable GST and PST on services exported to the Australian parent by certain Canadian subsidiaries, legal costs, and general business expenses required to operate the business.

Gain/(loss) on sale of assets

Gain/(loss) on sale of assets includes net gains or losses on disposal of mining hardware and other assets.

Unrealized gain/(loss) on financial asset

Unrealized gain/(loss) on financial asset represents the change in the fair value of the financial asset recorded in relation to electricity purchased for future usage periods. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Finance expense

Finance expense consists primarily of interest expense on lease liabilities, mining hardware financing arrangements and amortization of capitalized borrowing costs.

Interest income

Interest income includes interest generated on short-term cash deposits with regulated financial institutions.

Foreign exchange gain/(loss)

Foreign exchange gain/(loss) includes realized and unrealized foreign exchange movements on monetary assets and liabilities denominated in foreign currencies.

Income tax (expense)/benefit

We are liable to pay tax in a number of jurisdictions, including Australia, Canada and the United States. Tax liabilities arise to the extent that we do not have sufficient prior year tax losses to offset future taxable income in these jurisdictions.

Results of Operations

The following table summarizes our results of operations, disclosed in the unaudited interim consolidated statement of profit or loss and other comprehensive income/(loss) for the three and nine months ended March 31, 2024 and 2023.

	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Revenue	**($ thousands)**	**($ thousands)**	**($ thousands)**	**($ thousands)**
Bitcoin mining revenue	53,383	11,327	129,827	41,294
AI Cloud Services revenue	567	-	567	-
Other income	399	1,798	926	3,117
Gain on disposal of subsidiary	-	3,257	-	3,257
Expenses		-	-	-
Depreciation	(8,692)	(5,125)	(23,870)	(24,122)
Electricity charges	(19,834)	(5,973)	(55,944)	(19,910)
Realized gain/(loss) on financial asset	91	-	3,210	-
Employee benefits expense	(4,333)	(2,470)	(12,844)	(11,138)
Share-based payments expense	(5,817)	(3,503)	(17,622)	(10,273)
Impairment of assets	-	-	-	(105,172)
Reversal of impairment of assets	-	-	108	-
Professional fees	(2,018)	(1,117)	(5,938)	(4,086)
Site expenses	(2,096)	(1,290)	(5,892)	(3,329)
Other operating expenses	(4,537)	(1,966)	(14,809)	(7,232)
Gain/(loss) on sale of assets	1	(160)	16	(6,616)
Unrealized gain/(loss) on financial asset	(1,091)	-	(1,349)	-
Profit/(loss) before interest, foreign exchange gain/(loss) and income tax	**6,023**	**(5,222)**	**(3,614)**	**(144,210)**
Finance expense	(126)	(2,311)	(190)	(16,227)
Interest income	1,500	244	2,878	458
Foreign exchange gain/(loss)	4,714	4,557	2,265	(2,619)
Profit/(loss) before income tax (expense)/benefit	**12,111**	**(2,732)**	**1,339**	**(162,598)**
Income tax (expense)/benefit	(3,473)	(321)	(3,228)	(2,349)
Profit/(loss) after income tax (expense)/benefit	**8,638**	**(3,053)**	**(1,889)**	**(164,947)**
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(7,334)	(9,126)	(5,331)	(21,241)
Other comprehensive income/(loss), net of tax	**(7,334)**	**(9,126)**	**(5,331)**	**(21,241)**
Total comprehensive income/(loss)	**1,304**	**(12,179)**	**(7,220)**	**(186,188)**

Comparison of the nine months ended March 31, 2024 and 2023

Revenue

Bitcoin mining revenue

Our Bitcoin mining revenue for the nine months ended March 31, 2024 and 2023, was $129.8 million and $41.3 million, respectively. This revenue was generated from the mining and sale of 3,371 and 2,003 Bitcoin during the nine months ended March 31, 2024 and 2023, respectively. The $88.5 million increase in revenue comprises a $35.8 million increase attributable to the increase in the average Bitcoin price and $ 52.7 million increase attributable to the increase in average operating hashrate during the nine months ended March 31, 2024 as compared to the nine months ended March 31, 2023, which was partially offset by the increase in the difficulty implied global hashrate during the same period. Average operating hashrate increased to 5.8 EH/s for the nine months ended March 31, 2024 from 2.0 EH/s for the nine months ended March 31, 2023.

AI Cloud Services revenue
Our AI Cloud Services revenue for the nine months ended March 31, 2024 and 2023, was $0.6 million and nil, respectively. AI Cloud Services revenue generated during the nine months ended March 31, 2024 comprised revenue generated from the provision of AI Cloud Services to a customer.

Other income

Our other income for the nine months ended March 31, 2024 and 2023, was $0.9 million and $3.1m, respectively. Other income generated during the nine months ended March 31, 2024 primarily comprised of $0.9 million revenue generated for our participation in an ERCOT demand response program at the Group's site at Childress. During the nine months ended March 31, 2023 a net gain of $3.1 million on disposal of other assets was recognised. No such sales occurred during the nine months ended March 31, 2024.

Gain/(loss) on disposal of subsidiaries

Gain/(loss) on disposal of subsidiaries for the nine months ended March 31, 2024 and 2023, was nil and $3.3 million, respectively. During the nine months ended March 31, 2023 a net gain of $3.3 million on the deconsolidation of the Non-Recourse SPVs was recognised, which occurred on February 3, 2023. No such sales occurred during the nine months ended March 31, 2024.

Expenses

Depreciation

Depreciation primarily consists of the depreciation of Bitcoin mining hardware, AI Cloud Services hardware and data centers. Depreciation expense for the nine months ended March 31, 2024 and 2023 was $23.9 million and $24.1 million, respectively. This decrease was primarily due to the impairment of mining hardware recorded during the nine months ended March 31, 2023 resulting in a decreased depreciation charge recorded over the remaining portion of the useful economic life of the impaired assets.

Electricity charges

Electricity charges for the nine months ended March 31, 2024 and 2023 was $55.9 million and $19.9 million, respectively. This increase was primarily due to the increase in average operating hashrate to 5.8 EH/s for the nine months ended March 31, 2024 from 2.0 EH/s for the nine months ended March 31, 2023.

Realized gain/(loss) on financial asset

Realized gain/(loss) on financial asset represents a gain on the electricity purchased and subsequently resold under a power supply agreement at the Group's Childress site. Realized gain recorded on financial asset for the nine months ended March 31, 2024 and March 31, 2023 was $3.2 million and nil respectively. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Employee benefits expenses

Employee benefits expenses consist primarily of wages and salaries to employees and contractors, and associated taxes. Employee benefits expenses for the nine months ended March 31, 2024 and 2023 was $12.8 million and $11.1 million, respectively. This increase was primarily due to the increase in the number of employees employed by the Group.

Share-based payments expense

Share-based payments expense for the nine months ended March 31, 2024 and 2023 was $17.6 million and $10.3 million, respectively. The increase was primarily due to amortization expenses recorded in relation to incentives issued under our 2022 Long-Term Incentive Plan and 2023 Long-Term Incentive Plan. See note 17 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Impairment of assets

Impairment of assets for the nine months ended March 31, 2024 and 2023 was nil and $105.2 million, respectively. During the nine months ended March 31, 2023 we recorded an impairment of $105.2 million which included an impairment of $90.5 million of mining hardware, $13.0 million related to mining hardware prepayments, $1.1 million related to development assets and $0.6 million related to goodwill.

Reversal of impairment of assets

Reversal of impairment of assets for the nine months ended March 31, 2024 and 2023 was $0.1 million and nil, respectively. The reversal of impairment of assets for the nine months ended March 31, 2024 reflects a reversal of $0.1 million on a previously impaired development asset which was partially recovered.

Professional fees

Professional fees for the nine months ended March 31, 2024 and 2023 was $5.9 million and $4.1 million, respectively. In the nine months ended March 31, 2024 $0.8 million related to the audit fees and $3.5 million related to legal fees of which $1.6 million relates to one-off costs in relation to the securities class action litigation.

Site expenses

Site expenses for the nine months ended March 31, 2024 and 2023 was $5.9 million and $3.3 million, respectively. The increase in site expenses is primarily due to the commissioning of the Group’s data center at Mackenzie in July 2022, commissioning of the data center at Prince George in September 2022, expansion of the data center at Mackenzie in December 2022, commissioning of the initial data center at Childress in April 2023 and continued expansion of Childress in the nine months ended March 31, 2024.

Other operating expenses

Other operating expenses for the nine months ended March 31, 2024 and 2023 was $14.8 million and $7.2 million, respectively. Other operating expenses represent insurance, marketing, office rent, charitable donations, a provision for GST and PST on services exported to the Australian parent by certain Canadian subsidiaries, and general business expenses required to operate the business (see note 4 to our unaudited interim consolidated financial statements included in this Form 6-K). The increase primarily related to the expansion of the business operations and ongoing costs as a publicly listed company and includes an increase of $1.3 million in sponsorship and marketing, $1.8 million in legal expenses, and $2.9 million and $0.9 million of a provision for non-refundable GST and PST, respectively.

Gain/(loss) on disposal of assets

Our gain/(loss) on disposal of assets for the nine months ended March 31, 2024 and 2023, was a $0.0 million gain and $(6.6) million loss, respectively. During the nine months ended March 31, 2023 a net loss of $(6.6) million on disposal of mining hardware and other assets was recognised. No such sales occurred during the nine months ended March 31, 2024.

Unrealized gain/(loss) on financial asset

Unrealized gain/(loss) on financial asset represents the change in the fair value of the financial asset recorded in relation to electricity purchased for future usage periods. The Group recorded an unrealized loss on financial asset for the nine months ended March 31, 2024 and March 31, 2023 of $(1.3) million and nil respectively. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Finance expense

Finance expense for the nine months ended March 31, 2024 and 2023 was $0.2 million and $16.2 million, respectively. Finance expense for the nine months ended March 31, 2024 primarily relates to interest on the lease liability. The decrease from the nine months ended March 31, 2023 primarily related to interest expense on borrowings including late fees and interest charged on third-party loans held by the Non-Recourse SPVs which were deconsolidated during the year ended June 30, 2023 and as such did not recur during the nine months ended March 31, 2024.

Interest income

Interest income for the nine months ended March 31, 2024 and 2023 was $2.9 million and $0.5 million, respectively. The increase was primarily driven by an increase in interest rates and underlying cash deposits.

Foreign exchange gains/(loss)

Foreign exchange loss for the nine months ended March 31, 2024 and 2023 was $2.3 million and $(2.6) million, respectively. The gain was primarily relating to foreign exchange movements in the translation of assets and liabilities held in currencies other than the functional currency of the company holding the asset or liability. We use the U.S. dollar as our presentation currency; however, the companies in the Group use the Australian dollar, Canadian dollar, or the U.S. dollar as their functional currencies.

Foreign currency transactions are translated into each entity's functional currency using the exchange rates prevailing at the dates of the transactions. Accordingly, foreign exchange gains and losses resulting from the settlement of such transactions and the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Income tax (expense)/benefit

Income tax (expense)/benefit for the nine months ended March 31, 2024 and 2023 was a $(3.2) million and $(2.4) million, respectively. The income tax expense for the nine months ended March 31, 2024 was primarily due to due to deferred tax expense in relation to accelerated tax depreciation utilised on mining hardware.

Profit/(Loss) after income tax (expense)/benefit for the period

The loss after income tax expense for the nine months ended March 31, 2024 and 2023 was $(1.9) million and $(164.9) million, respectively. The decreased loss is primarily attributable to the increase in bitcoin revenue and the decrease in the impairment of assets during the nine months ended March 31, 2024.

Comparison of the three months ended March 31, 2024 and 2023

Revenue

Bitcoin mining revenue

Our Bitcoin mining revenue for the three months ended March 31, 2024 and 2023, was $53.4 million and $11.3 million, respectively. This revenue was generated from the mining and sale of 1,003 and 501 Bitcoin during the three months ended March 31, 2024 and 2023, respectively. The $42.1 million increase in revenue comprises a $15.3 million increase attributable to the increase in the average Bitcoin price and $26.8 million attributable to the increase in the average operating hashrate during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, which was partially offset by the increase in the difficulty implied global hashrate during the same period. Average operating hashrate increased to 6.4 EH/s for the three months ended March 31, 2024 from 1.8 EH/s for the three months ended March 31, 2023.

AI Cloud Services revenue

Our AI Cloud Services revenue for the three months ended March 31, 2024 and 2023, was $0.6 million and nil, respectively. AI Cloud Services revenue generated during the three months ended March 31, 2024 comprised revenue generated from the provision of AI Cloud Services to a customer.

Other income

Other income for the three months ended March 31, 2024 and 2023, was $0.4 million and $1.8 million, respectively. Other income generated during the three months ended March 31, 2024 primarily comprised of $0.4 million revenue generated for our participation in an ERCOT demand response program at the Group's site at Childress. During the three months ended March 31, 2023 a net gain of $1.8 million on disposal of other assets was recognised. No such sales occurred during the nine months ended March 31, 2024.

Gain/(loss) on disposal of subsidiaries

Gain/(loss) on disposal of subsidiaries for the three months ended March 31, 2024 and 2023, was nil and $3.3 million, respectively. During the three months ended March 31, 2023 a net gain of $3.3 million on the deconsolidation of the Non-Recourse SPVs was recognised which occurred on February 3, 2023. No such sales occurred during the three months ended March 31, 2024.

Expenses

Depreciation

Depreciation expense for the three months ended March 31, 2024 and 2023, was $8.7 million and $5.1 million, respectively. This increase was primarily due to the commissioning of Bitcoin mining hardware, AI Cloud Services hardware and data centers at the Group's sites in Price George and Childress.

Electricity charges

The electricity charges for the three months ended March 31, 2024 and 2023, was $19.8 million and $6.0 million, respectively. This increase was primarily due to the increase in average operating hashrate to 6.4 EH/s for the three months ended March 31, 2024 from 1.8 EH/s for the three months ended March 31, 2023.

Realized gain/(loss) on financial asset

Realized gain/(loss) on financial asset represents a gain on the electricity purchased and subsequently resold under a power supply agreement at the Group's Childress site. Realized gain recorded on financial asset for the three months ended March 31, 2024 and March 31, 2023 was $0.1 million and nil, respectively. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Employee benefits expenses

Employee benefits expenses for the three months ended March 31, 2024 and 2023 was $4.3 million and $2.5 million, respectively. Both periods include employee benefits expenses consisting primarily of wages and salaries paid to employees and contractors, and associated taxes.

Share-based payments expense

Share-based payments expense for the three months ended March 31, 2024 and 2023 were $5.8 million and $3.5 million, respectively. The increase was primarily due to amortization expenses recorded in relation to incentives issued under our 2022 Long-Term Incentive Plan and 2023 Long-Term Incentive Plan. See note 17 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Professional fees

Professional fees for the three months ended March 31, 2024 and 2023 was $2.0 million and $1.1 million, respectively. In the three months ended March 31, 2024, $0.9 million related to legal fees of which $0.2 million relates to one-off costs in relation to the securities class action litigation and $0.3 million related to the audit fees.

Site expenses

Site expenses for the three months ended March 31, 2024 and 2023 was $2.1 million and $1.3 million, respectively. The increase in site expenses is primarily due to the commissioning of the Group's site in Childress in April 2023.

Other operating expenses

Other operating expenses for the three months ended March 31, 2024 and 2023 was $4.5 million and $2.0 million, respectively. Other operating expenses represent insurance, marketing, office rent, charitable donations, a provision for GST and PST on services exported to the Australian parent by certain Canadian subsidiaries, and general business expenses required to operate the business (see note 4 to our unaudited interim consolidated financial statements included in this Form 6-K). The increase primarily related to the expansion of the business operations and ongoing costs as a publicly listed company, and includes an increase of $0.7 million in sponsorship and marketing, $0.6 million in insurance expenses, and $0.9 million and $0.3 million of a provision for non-refundable GST and PST, respectively.

Gain/(loss) on disposal of assets

Our gain/(loss) on disposal of assets for the three months ended March 31, 2024 and 2023, were $0.0 million gain and $(0.2) million loss, respectively. During the three months ended March 31, 2023, a net loss of $0.2 million on disposal of mining hardware and other assets was recognised. No such sales occurred during the three months ended March 31, 2024.

Unrealized gain/(loss) on financial asset

Unrealized gain/(loss) on financial asset represents the change in the fair value of the financial asset recorded in relation to electricity purchased for future usage periods. The Group recorded an unrealized loss on financial asset for the three months ended March 31, 2024 and March 31, 2023 of $(1.1) million and nil respectively. See note 7 of the unaudited interim consolidated financial statements included in this Form 6-K for further information.

Finance expense

Finance expense for the three months ended March 31, 2024 and 2023 was $0.1 million and $2.3 million, respectively. Finance expense for the three months ended March 31, 2024 primarily relates to interest on the lease liability. The decrease from the three month period ended March 31, 2023 primarily related to interest expense on borrowings including late fees and interest charged on third-party loans held by two of the Non-Recourse SPVs which were deconsolidated during the year ended June 30, 2023 and as such did not recur during the three months ended March 31, 2024.

Interest income

Interest income for the three months ended March 31, 2024 and 2023 was $1.5 million and $0.2 million, respectively. The increase was primarily driven by an increase in interest rates and underlying cash deposits.

Foreign exchange gain

Foreign exchange gain for the three months ended March 31, 2024 and 2023 was $4.7 million and $4.6 million, respectively. The increase in the gain reported was primarily related to foreign exchange movements in the translation of assets and liabilities held in currencies other than the functional currency of the company holding the asset or liability. We use the U.S. dollar as our presentation currency; however, the companies in the Group use the Australian dollar, Canadian dollar, or the U.S. dollar as their functional currencies.

Foreign currency transactions are translated into each entity's functional currency using the exchange rates prevailing at the dates of the transactions. Accordingly, foreign exchange gains and losses resulting from the settlement of such transactions and the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Income tax (expense)/benefit

Income tax (expense)/benefit for the three months ended March 31, 2024 and 2023 was $(3.5) million and $(0.3) million, respectively. The increase in expense was primarily related to accelerated tax depreciation utilised on mining hardware.

Profit/(Loss) after income tax (expense)/benefit for the period

The profit/(loss) after income tax (expense)/benefit for the three months ended March 31, 2024 and 2023 was $8.6 million and $(3.1) million, respectively. The increase in profit was primarily attributable to the increased Bitcoin mining revenue as discussed above.

Liquidity and Capital Resources

On September 23, 2022, we entered into an Ordinary shares purchase agreement (the "Purchase Agreement") and a registration rights agreement (the "Registration Rights Agreement") with B. Riley Principal Capital II, LLC ("B. Riley"). Pursuant to the Purchase Agreement, we have the right to sell to B. Riley up to $100.0 million of our Ordinary shares, subject to certain limitations and conditions set forth in the Purchase Agreement, from time to time during the term of the Purchase Agreement ending on September 23, 2024, unless earlier terminated. Sales of our Ordinary shares pursuant to the Purchase Agreement, and the timing of any sales, are solely at our option, and we are under no obligation to sell any securities to B. Riley under the Purchase Agreement. A resale registration statement relating to shares sold to B. Riley under the Purchase Agreement was subsequently declared effective by the SEC on January 26, 2023. As of March 31, 2024, we had sold 24,342,138 Ordinary shares under the Purchase Agreement for aggregate gross proceeds of approximately $93.0 million (net proceeds of $90.2 million). On February 15, 2024, we terminated the Ordinary shares purchase agreement and registration rights agreement and on February 16, 2024, we filed a post-effective amendment to our registration statement on Form F-1 related to this offering, which deregistered all remaining shares on such registration statement, terminating the offering.

On September 13, 2023, we entered into an At Market Sales Agreement ("Sales Agreement") with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and Compass Point Research & Trading, LLC, to which Canaccord Genuity LLC, Citigroup Global Markets Inc. and Macquarie Capital (USA) Inc. were joined on March 21, 2024 (collectively, the "Sales Agents"). Pursuant to the Sales Agreement, we may offer and sell our ordinary shares from time to time through or to the Sales Agents in an amount not to exceed the lesser of the amount registered on an effective registration statement and for which we have filed a prospectus, and the amount authorized from time to time to be issued and sold under the Sales Agreement by our board of directors or a duly authorized committee thereof. As a result, we may increase the amount of our ordinary shares that may be sold from time to time pursuant to the Sales Agreement in accordance with the terms of the Sales Agreement.

As of the date of this Form 6-K, we have an effective registration statement including an accompanying prospectus and have filed prospectus supplements that provide us with the option, but not the obligation, to sell up to an aggregate of $500 million of our ordinary shares pursuant to the Sales Agreement. As of March 31, 2024, we had sold 60,570,797 Ordinary shares were under the Sales Agreement for aggregate gross proceeds of approximately $318.5 million (net proceeds of $308.9 million). Subsequent to March 31, 2024, we sold a further 8,172,310 Ordinary shares for aggregate gross proceeds of approximately $44.9 million (net proceeds of $43.5 million). On May 15, 2024, we filed a new registration statement, including an accompanying prospectus, providing for the offer and sale of $500 million of securities by the Company, as well as a prospectus supplement relating to the offer and sale of an additional $500 million of our ordinary shares pursuant to the Sales Agreement. The registration statement is not yet effective, but if declared effective, the registration statement, together with the accompanying prospectus and prospectus supplement relating to the Sales Agreement, would provide us with the option, but not the obligation, to sell an additional $500 million of ordinary shares pursuant to the Sales Agreement.

The total number of Ordinary shares outstanding as of May 12, 2024, is 146,584,041.

We continue to monitor funding markets for opportunities to raise additional debt, equity or equity-linked capital to fund further capital or liquidity needs, and growth plans.

Going Concern Determination

The Group has determined there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated financial statements on a going concern basis which contemplates continuity of normal business activities, the realization of assets and settlement of liabilities in the ordinary course of business. The operating cash flows generated by the Group are inherently linked to several key uncertainties and risks including, but not limited to, volatility associated with the economics of Bitcoin mining and the ability of the Group to execute its business plan.

For the nine-month period ended March 31, 2024, the Group incurred a loss after tax of $1.9 million (March 31, 2023: $164.9 million) and net operating cash inflows of $47.9 million (March 31, 2023: outflows of $1.0 million). As at March 31, 2024, the Group had net current assets of $268.7 million (June 30, 2023: net current assets of $65.2 million) and net assets of $677.2 million (June 30, 2023: net assets of $305.4 million).

As further background, the Group owns mining hardware that is designed specifically to mine Bitcoin and its future success will depend in a large part upon the value of Bitcoin, and any sustained decline in its value could adversely affect the business and results of operations. Specifically, the revenues from Bitcoin mining operations are predominantly based upon two factors: (i) the number of Bitcoin rewards that are successfully mined and (ii) the value of Bitcoin. A decline in the market price of Bitcoin, increases in the difficulty of Bitcoin mining including the halving event which occurred in April 2024, changes in the regulatory environment, and/or adverse changes in other inherent risks may significantly negatively impact the Group's operations. Due to the volatility of the Bitcoin price and the effects of the other aforementioned factors, there can be no guarantee that future mining operations will be profitable, or the Group will be able to raise capital to meet growth objectives.

The strategy to mitigate these risks and uncertainties is to try to execute a business plan aimed at operational efficiency, revenue growth, improving overall mining profit, managing operating expenses and working capital requirements, maintaining potential capital expenditure optionality, and securing additional financing, as needed, through one or more debt and/or equity capital raisings.

Our growth and risk mitigation strategies include pursuing a strategy to diversify our revenue streams into new markets. This includes the expansion into the provision of AI Cloud Services. The Group signed a contract with an initial AI Cloud Services customer and commenced revenue generating operations during the three months ended March 31, 2024.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are therefore significantly dependent upon several factors. These factors have been considered in preparing a cash flow forecast over the next 12 months to consider the going concern of the Group. The key assumptions include:

- A base case scenario assuming recent Bitcoin economics, with reduction in block rewards following the halving event which occurred in April 2024;
- Three operational sites in British Columbia, Canada with installed nameplate capacity of 160MW; 80MW Mackenzie, 50MW Prince George and 30MW Canal Flats;
- A fourth operational site at Childress, Texas with installed nameplate capacity of 85MW as at 6 May 2024 incrementally increasing to 350 MW by 31 December 2024;
- Securing additional financing as required to achieve the Group's growths objectives.

The key assumptions have been stress tested using a range of Bitcoin price and global hashrate scenarios including with respect to the halving event that occurred in April 2024. The Group aims to maintain a degree of flexibility in both operating and capital expenditure cash flow management where it practicably makes sense, including ongoing internal cash flow monitoring and projection analysis performed to identify potential liquidity risks arising and to try to respond accordingly.

As a result, the Group has concluded there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group considers that it will be successful in the above matters and will have adequate cash reserves to enable it to meet its obligations for at least one year from the date of approval of the consolidated financial statements, and, accordingly, has prepared the consolidated financial statements on a going concern basis.

Off-Balance Sheet Arrangements

As of March 31, 2024 and June 30, 2023, we did not have any material off-balance sheet arrangements.

Historical Cash Flows

The following table sets forth a summary of our historical cash flows for the nine months ended March 31, 2024, and March 31, 2023.

	Nine months ended March 31, 2024 ($ thousands)	Nine months ended March 31, 2023 ($ thousands)
Net cash from/(used) in operating activities	47,889	(998)
Net cash used in investing activities	(187,985)	(69,305)
Net cash from financing activities	330,767	(3,240)
Net cash and cash equivalents increase/(decrease)	**190,671**	**(73,543)**
Cash and cash equivalents at the beginning of the period	68,894	109,970
Effects of exchange rate changes on cash and cash equivalents	130	(3,276)
Net cash and cash equivalents at the end of the period	**259,695**	**33,151**

Operating activities

Net cash from/(used in) operating activities was a net cash inflow of $47.9 million for the nine months ended March 31, 2024, compared to a net cash outflow of $(1.0) million for the nine months ended March 31, 2023. For the nine months ended March 31, 2024, there was an increase in operating cashflows due in part to the increasing price of Bitcoin and increase in operating capacity of our miners to 8 EH/s.

Investing activities

Net cash used in investing activities was a cash outflow of $(188.0) million for the nine months ended March 31, 2024, compared to a cash outflow of $(69.3) million for the nine months ended March 31, 2023. For the nine months ended March 31, 2024, the net cash used in investing activities primarily consisted of payments for infrastructure and computer hardware for our sites in Childress, Texas, and British Columbia, Canada.

Financing activities

Net cash from financing activities was a net cash inflow of $330.8 million for the nine months ended March 31, 2024, compared to a cash outflow of $(3.2) million for the nine months ended March 31, 2023. For the nine months ended March 31, 2024, the net cash inflow from financing activities primarily consisted of proceeds relating to both our committed equity facility and at the market offering program.

Contractual Obligations

Financial instruments and other liabilities

The following table summarizes our remaining contractual maturity for financial instruments and other liabilities as of March 31, 2024, and the years which these obligations are due:

	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
			($ thousands)		
Non-interest bearing					
Trade and other payables	24,256	-	-	-	24,256
Lease liability	369	293	551	2,933	4,147
Total	**24,625**	**293**	**551**	**2,933**	**28,403**

Hardware Purchase Contracts

The details of the Hardware Purchase Contracts are disclosed in the "Hardware Purchases" section above.

JOBS Act Election

We are an emerging growth company, as defined in the JOBS Act. We intend to rely on certain of the exemptions and reduced reporting requirements provided by the JOBS Act. As an emerging growth company, we are not required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, and (ii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis).

Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. There have been no material changes to the Company's legal proceedings as disclosed in "Item 4.B. Information on the Company—Business Overview" in our Annual Report, except as described in note 15 of the unaudited interim consolidated financial statements included in this Form 6-K.

Risk Factors

Except as stated below, there have been no material changes to the Company's risk factors as disclosed in "Item 3.D. Key Information—Risk Factors" in our Annual Report:

There is a risk that we will be a passive foreign investment company for U.S. federal income tax purposes for the current taxable year and possibly subsequent taxable years, in which case U.S. investors will generally be subject to adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended (the "Code"), we will be classified as a passive foreign investment company (a "PFIC") for any taxable year if either: (a) at least 75% of our gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. Cash and cash-equivalents generally are passive assets for these purposes, and digital assets are likely to be passive assets for these purposes as well. Goodwill is active to the extent attributable to activities that produce or are intended to produce active income. The PFIC rules also contain a look-through rule whereby we will be treated as owning our proportionate share of the gross assets and earning our proportionate share of the gross income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and anticipated composition of our income, assets and operations and the price of our ordinary shares, we do not expect to be treated as a PFIC for the current taxable year. However, whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of our income and assets, as well as the relative value of our assets (which may fluctuate with our market capitalization), at the relevant time. In particular, if our cash is not deployed for active purposes, our risk of being a PFIC will increase. Fluctuations in the Company's market capitalization can also affect our PFIC status because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market capitalization from time to time (which has been, and may continue to be, volatile). In this regard, there is a risk that we may be a PFIC if there is a decline in the market capitalization and the value of our goodwill is determined by reference to our market capitalization. Moreover, the application of the PFIC rules to digital assets and transactions related thereto is subject to uncertainty. Among other things, the IRS has issued limited guidance on the treatment of income from mining digital assets. The IRS or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that constitutes passive assets under the PFIC rules. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If we are a PFIC for any taxable year during which a U.S. taxpayer holds ordinary shares, the U.S. taxpayer generally will be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and "excess distributions" and additional reporting requirements. This will generally continue to be the case even if we cease to be a PFIC in a later taxable year, unless a "deemed sale" election is made.

News Release

IREN’s expansion plans increased to 30 EH/s in 2024

Achieved 10 EH/s milestone ahead of schedule

SYDNEY, AUSTRALIA, May 15, 2024 (GLOBE NEWSWIRE) – IREN (Iris Energy Limited) (NASDAQ: IREN) (together with its subsidiaries, "IREN" or “the Company”), a leading next-generation data center business powering the future of Bitcoin, AI and beyond, today provided a business update.

Key Highlights

- Operating hashrate currently 10 EH/s, milestone achieved ahead of schedule
- 2024 expansion plans increased to 30 EH/s
  - Secured latest-generation Bitmain S21 Pro miners with nameplate efficiency of 15 J/TH
  - Upon completion, nameplate fleet efficiency of 16 J/TH and indicative electricity cost per Bitcoin mined of $17k
  - Additional 50MW data center expansion at Childress (announced April 29, 2024)
  - Funding through existing cash and other sources
- Additional Bitmain S21 Pro miner purchase options (10 EH/s) supporting expansion pathway to 40 EH/s in 1H 2025

<u>2024 expansion plans increased to 30 EH/s</u>

The Company’s previously announced 2024 expansion plan to 20 EH/s has been increased to 30 EH/s.

This accelerated growth is enabled through amended and new agreements with Bitmain, along with the construction of an additional 50MW of data center capacity at Childress in 2024.

- **Existing agreements – Bitmain T21/S21 purchase (5 EH/s)**
- **Amended agreement – Bitmain T21 options (11 EH/s)**
  - Flexibility, when exercising the options, to select either Bitmain T21 or S21 Pro miners (or a combination of):
    - $14.0/TH for Bitmain T21 (unchanged); or
    - $18.9/TH for Bitmain S21 Pro (new)
  - Contract size of up to 9 EH/s (if T21 selected in full) or 11 EH/s (if S21 Pro selected in full)
  - Option expiry in March 2025 (previously September 2024)
- **New agreement – Bitmain S21 Pro purchase and options (24 EH/s)**
  - 12 EH/s purchase at $15.1/TH (plus $3.8/TH payable 9 months after delivery); and
  - 12 EH/s options at $18.9/TH
    - 10 EH/s of which supports expansion pathway to 40 EH/s in 1H 2025

- **Childress expansion plan in 2024 increased by 50MW**
  - Enabled partly through a new substation design, as well as ongoing improvement and optimization of the Company's construction and procurement process
  - Global data center capacity now planned at 510MW by the end of 2024
- **Upgrade** of the existing miner fleet across British Columbia and Texas

Pathway to industry leadership

The latest-generation S21 Pro miner was recently launched by Bitmain in March 2024 with an industry-leading 15 J/TH efficiency.

IREN is poised to become the most efficient and one of the largest publicly-listed Bitcoin miners, with an overall nameplate fleet efficiency of 16 J/TH and indicative electricity cost of $17k per Bitcoin mined at 30 EH/s.

The Company plans to fund the expansion to 30 EH/s through existing cash and other sources. As of April 30, 2024, the Company had $321.5 million cash and no debt facilities.

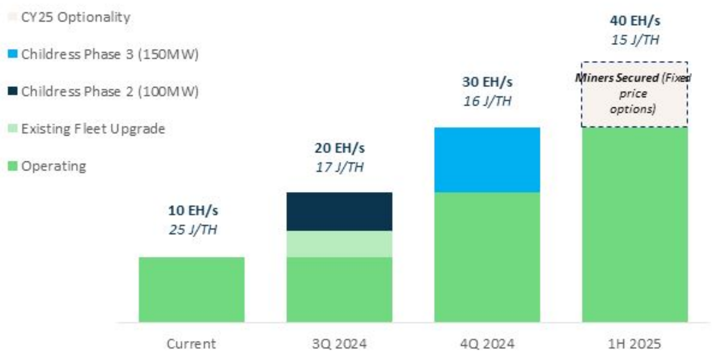
The Company continues to consider a range of funding opportunities such as equity, corporate debt and equipment financing.

30 EH/s expansion timeline

The Company's previously announced expansion plans are progressing ahead of schedule.

IREN now expects to achieve 20 EH/s in 3Q 2024 and 30 EH/s in 4Q 2024, with growth optionality to 40 EH/s in 1H 2025.

Planned expansion timeline:



Assumptions and Notes

1. Cost per bitcoin mined represents indicative electricity cost per bitcoin mined assuming 30 EH/s, nameplate fleet efficiency of 16 J/TH, weighted average power cost of $0.037/kWh ($0.045/kWh in BC and $0.033/kWh in Texas – latter calculated using actual monthly average net power price at Childress during FY24 to date (i.e. July 2023 to March 2024), including ERS revenue and adjusted for now eligible 4CP benefit), current global hashrate of 595 EH/s, block reward of 3.125 BTC per block and transaction fees of 0.3 BTC per block.

2. The new option agreement for 12 EH/s of Bitmain S21 Pro miners can be exercised incrementally until May 2025. The amended option agreement for 9 EH/s of T21 miners or 11 EH/s of S21 Pro miners can be exercised incrementally over the option period until March 2025. An initial downpayment option fee equal to 10% of the total purchase price is associated with both option agreements.

3. Cash of $321.5 million reflects USD equivalent, unaudited preliminary cash, cash equivalents and term deposits as of April 30, 2024.

About IREN

IREN is a leading next-generation data center business powering the future of Bitcoin, AI and beyond utilizing 100% renewable energy.

- Bitcoin Mining: providing security to the Bitcoin network, expanding to 30 EH/s in 2024. Operations since 2019.
- AI Cloud Services: providing cloud compute to AI customers, 816 NVIDIA H100 GPUs. Operations since 2024.
- Next-Generation Data Centers: 260MW of operating data centers, expanding to 510MW in 2024. Specifically designed and purpose-built infrastructure for high-performance and power-dense computing applications.
- Technology: technology stack for performance optimization of AI Cloud Services, Bitcoin Mining and energy trading operations.
- Development Portfolio: 2,160MW of secured power capacity across North America, >1,000 acre property portfolio and additional development pipeline.
- 100% Renewable Energy (from clean or renewable energy sources or through the purchase of RECs): targets sites with low-cost & underutilized renewable energy, and supports electrical grids and local communities.

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To keep updated on IREN's news releases and SEC filings, please subscribe to email alerts at *https://iren.com/investor/ir-resources/email-alerts*.

Forward-Looking Statements

This investor update includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or IREN’s future financial or operating performance. For example, forward-looking statements include but are not limited to the Company’s business strategy, expected operational and financial results, and expected increase in power capacity and hashrate. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “may,” “can,” “should,” “could,” “might,” “plan,” “possible,” “project,” “strive,” “budget,” “forecast,” “expect,” “intend,” “target”, “will,” “estimate,” “predict,” “potential,” “continue,” “scheduled” or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

These forward-looking statements are based on management’s current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause IREN’s actual results, performance or achievements to be materially different from any future results performance or achievements expressed or implied by the forward looking statements, including, but not limited to: Bitcoin price and foreign currency exchange rate fluctuations; IREN’s ability to obtain additional capital on commercially reasonable terms and in a timely manner to meet its capital needs and facilitate its expansion plans; the terms of any future financing or any refinancing, restructuring or modification to the terms of any future financing, which could require IREN to comply with onerous covenants or restrictions, and its ability to service its debt obligations, any of which could restrict our business operations and adversely impact our financial condition, cash flows and results of operations; IREN’s ability to successfully execute on its growth strategies and operating plans, including its ability to continue to develop its existing data center sites and to diversify into the market for high performance computing (“HPC”) solutions, and in particular any current or future AI Cloud (“AI Cloud”) Services we offer; IREN’s limited experience with respect to new markets it has entered or may seek to enter, including the market for AI Cloud Services; expectations with respect to the ongoing profitability, viability, operability, security, popularity and public perceptions of the Bitcoin network; expectations with respect to the profitability, viability, operability, security, popularity and public perceptions of any current or future AI Cloud Services that IREN offers; IREN’s ability to secure and retain customers on commercially reasonable terms or at all, particularly as it relates to its strategy to expand into AI Cloud Services; IREN’s ability to manage counterparty risk (including credit risk) associated with any current or future customers, including customers of our AI Cloud Services and other counterparties; IREN’s ability to secure renewable energy, renewable energy certificates, power capacity, facilities and sites on commercially reasonable terms or at all; the risk that any current or future customers, including customers of our AI Cloud Services, or other counterparties may terminate, default on or underperform their contractual obligations; Bitcoin global hashrate fluctuations; delays associated with, or failure to obtain or complete, permitting approvals, grid connections and other development activities customary for greenfield or brownfield infrastructure projects; our reliance on power and utilities providers, third party mining pools, exchanges, banks, insurance providers and our ability to maintain relationships with such parties; expectations regarding availability and pricing of electricity; IREN’s participation and ability to successfully participate in demand response products and services and other load management programs run, operated or offered by electricity network operators, regulators or electricity market operators; the availability, reliability and/or cost of electricity supply, hardware and electrical and data center infrastructure, including with respect to any electricity outages and any laws and regulations that may restrict the electricity supply available to IREN; any variance between the actual operating performance of IREN’s miner hardware achieved compared to the nameplate performance including hashrate; IREN’s ability to curtail its electricity consumption and/or monetize electricity depending on market conditions, including changes in Bitcoin mining economics and prevailing electricity prices; actions undertaken by electricity network and market operators, regulators, governments or communities in the regions in which IREN operates; the availability, suitability, reliability and cost of internet connections at IREN’s facilities; IREN’s ability to secure additional hardware, including hardware for Bitcoin mining and any current or future AI Cloud Services it offers, on commercially reasonable terms or at all, and any delays or reductions in the supply of such hardware or increases in the cost of procuring such hardware; expectations with respect to the useful life and obsolescence of hardware (including hardware for Bitcoin mining as well as hardware for other applications, including any current or future AI Cloud Services IREN offers); delays, increases in costs or reductions in the supply of equipment used in IREN’s operations; IREN’s ability to operate in an evolving regulatory environment; IREN’s ability to successfully operate and maintain its property and infrastructure; reliability and performance of IREN’s infrastructure compared to expectations; malicious attacks on IREN’s property, infrastructure or IT systems; IREN’s ability to maintain in good standing the operating and other permits and licenses required for its operations and business; IREN ability to obtain, maintain, protect and enforce its intellectual property rights and confidential information; any intellectual property infringement and product liability claims; whether the secular trends IREN expects to drive growth in its business materialize to the degree it expects them to, or at all; the occurrence of any environmental, health and safety incidents at IREN’s sites, and any material costs relating to environmental, health and safety requirements or liabilities; damage to our property and infrastructure and the risk that any insurance IREN maintains may not fully cover all potential exposures; ongoing proceedings relating to the default by two of IREN’s wholly-owned special purpose vehicles under limited recourse equipment financing facilities; ongoing securities litigation relating in part to the default; and any future litigation, claims and/or regulatory investigations, and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom; IREN's failure to comply with any laws including the anti-corruption laws of the United States and various international jurisdictions; any failure of IREN's compliance and risk management methods; any laws, regulations and ethical standards that may relate to IREN’s business, including those that relate to Bitcoin and the Bitcoin mining industry and those that relate to any other services we offer (such as AI Cloud Services), including regulations related to data privacy, cybersecurity and the storage, use or processing of information; our ability to attract, motivate and retain senior management and qualified employees; increased risks to our global operations including, but not limited to, political instability, acts of terrorism, theft and vandalism, cyberattacks and other cybersecurity incidents and unexpected regulatory and economic sanctions changes, among other things; climate change, severe weather conditions and natural and man-made disasters that may materially adversely affect our business, financial condition and results of operations; public health crises, including an outbreak of an infectious disease (such as COVID-19) and any governmental or industry measures taken in response; our ability to remain competitive in dynamic and rapidly evolving industries; damage to our brand and reputation; expectations relating to Environmental, Social and Governance issues or reporting; the costs of being a public company; and other important factors discussed under the caption “Risk Factors” in IREN’s annual report on Form 20-F filed with the SEC on September 13, 2023 as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC’s website at www.sec.gov and the Investor Relations section of IREN’s website at https://investors.iren.com.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this investor update. Any forward-looking statement that IREN makes in this investor update speaks only as of the date of such statement. Except as required by law, IREN disclaims any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.