Management's Discussion & Analysis

Stampede Drilling Inc.

For the three month period March 31, 2020

(Expressed in Canadian Dollars)

STAMPEDE DRILLING INC.

(“Stampede” or the “Corporation”)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTH PERIOD MARCH 31, 2020

The following management’s discussion and analysis (“MD&A”) should be read in conjunction with the December 31, 2019 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), and the annual information form (“AIF”) for the year ended December 31, 2019. Additional information regarding Stampede, including the AIF, is available on SEDAR at www.sedar.com.

All amounts or dollar figures are denominated in thousands of Canadian dollars except for per share amounts, number of drilling rigs, and operating days, or unless otherwise noted.

This MD&A is dated May 14, 2020 and is in respect of the three month period March 31, 2020.

Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. See “Forward-Looking Information” in this MD&A for additional details.

FINANCIAL SUMMARY

	Three months ended March 31,		
(000’s CAD $ except per share amounts)	**2020**	**2019**	**% Change**
Continuing operations			
Revenue	10,890	7,763	40%
Direct operating expenses	7,361	4,403	67%
Gross margin [(1)]	3,529	3,360	5%
Net income from continuing operations	1,135	1,211	(6%)
Basic per share	0.01	0.01	nm
Diluted per share	0.01	0.01	nm
Adjusted EBITDA [(1)]	2,584	2,499	3%
Weighted average common shares outstanding	132,046	131,615	0%
Weighted average diluted common shares outstanding	145,528	137,171	6%
Combined operations [(2)]			
Net income	1,135	2,041	(44%)
Basic per share	0.01	0.02	nm
Diluted per share	0.01	0.01	nm
Adjusted EBITDA [(1)]	2,584	3,028	(15%)
Capital expenditures	705	255	176%

nm - not meaningful

[(1)] Refer to "Non-GAAP Measures" for further information.

[(2)] Combined operations represents the aggregated results of both continuing and discontinued operations.

(000’s CAD $)	**March 31, 2020**	**December 31, 2019**	**% Change**	**March 31, 2019 [(1)]**
Current assets	8,623	7,958	8%	11,366
Total assets	53,665	53,182	1%	51,989
Total current liabilities	15,352	16,199	(5%)	10,062
Total non-current liabilities	527	429	23%	3,529
Shareholders' equity	37,786	36,554	3%	38,398

[(1)] Includes assets and liablities classified as held for sale

DESCRIPTION OF STAMPEDE'S BUSINESS

Stampede (formerly MATRRIX Energy Technologies Inc.) (the "Corporation") was previously engaged in the provision of directional drilling services and technology for the oil and natural gas industry focused in the Western Canadian Sedimentary Basin ("WCSB"). Starting in the second quarter of 2017, to complement the direction drilling operations, the Corporation developed a strategic plan for its expansion into the drilling rig business. Operations for the drilling rig business commenced in the fourth quarter of 2017.

On April 3, 2019, the Corporation announced that it was discontinuing its directional drilling division to focus on the drilling rig business. On May 27, 2019, the Corporation disposed of its directional drilling assets to an independent, third party purchaser.

Effective May 29, 2019, the Corporation obtained shareholder approval to change its name from MATRRIX Energy Technologies Inc. to Stampede Drilling Inc.

During the first quarter of 2020, Stampede operated in the provinces of Alberta, Saskatchewan and Manitoba.

Q1 2020 OPERATIONAL OVERVIEW

Global oil prices declined significantly during the Q1 2020 period as a result of reduced demand driven by the novel coronavirus ("COVID-19") health pandemic and over supply concerns stemming from failed negotiations between OPEC+ countries on production curtailments. As a result, the Corporation's customer base have announced significant reductions of their remaining 2020 capital budgets.

During the three months ended March 31, 2020, the Corporation recorded Adjusted EBITDA from continuing operations of $2,584, up 3% from the prior year comparative period. Increased Q1 2020 operating days during January and February resulted in a 40% increase in revenue of $10,890 as compared $7,763 from the prior year comparative period. The Corporation's Q1 2020 utilization rate was 58%, which was 66% higher than the CAODC average utilization.

The Corporation recognized net income from continuing operations of $1,135 during the three months ended March 31, 2020, compared to net income of $1,211 during the prior year comparative period. Net income and Adjusted EBITDA from continuing operations were negatively impacted by start up costs incurred for rigs that began operations in the first quarter and the reallocation of Corporate G&A expenses after the sale of the directional drilling division in Q2 2019.

RECENT ECONOMIC DEVELOPMENTS

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus ("COVID-19"). The outbreak and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in the financial markets. The pandemic adversely impacted global commercial activity, including significantly reducing worldwide demand for crude oil. Crude oil prices have also been severely impacted by increased global supply due to disagreements over production restrictions between the Organization of Petroleum Exporting Countries ("OPEC") and non-OPEC members, primarily Saudi Arabia and Russia. The full extent of the impact of COVID-19 on the Corporation's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. The outbreak presents uncertainty and risk with respect to the Corporation, its performance, and estimates and assumptions used by the Corporation in the preparation of its financial results.

OUTLOOK

As concerns around COVID-19 continue, the Corporation's employees' health and safety remains the primary concern. Since mid-March, measures have been implemented to protect both the field and office employees while ensuring business continuity. COVID-19, combined with crude over supply, will have a significant effect on the Corporation's financial results. However, through maintaining cost and capital discipline while providing exceptional service to our customers, the Corporation is positioned to withstand the impact this commodity price cycle will have on forecasted activity levels for the remainder of 2020 and into 2021.

The following key cost and discretionary spending plan adjustments were implemented in March 2020:

- Reduction of forecasted personnel costs consisting of salary reductions, layoffs and job sharing.
- Reduction of all capital expenditures to only necessary sustaining expenditures reflective of forecasted levels of activity.
- 18% to 36% reduction to Executive cash compensation.
- 100% reduction to Board of Directors cash compensation.
- Elimination of all non-essential travel, entertainment and other discretionary spending.

With regards to the $2,612 convertible debenture due in October 2020, the Corporation is currently assessing its options

OUTLOOK (continued)

to extend the maturity date of the debenture or convert the debenture to equity on the maturity date.

While these cost reductions have been significant, the Corporation continues to review all aspects of the business for further optimization with our customers and cost reduction opportunities.

RESULTS OF CONTINUING OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2020

	Three months ended March 31,		
(000's CAD $ except operating days)	**2020**	**2019[1]**	**% Change**
Revenue	10,890	7,763	40%
Direct operating expenses	7,361	4,403	67%
Gross margin [2]	3,529	3,360	5%
Gross margin %	32%	43%	(26%)
Net income from continuing operations	1,135	1,211	(6%)
General and administrative expenses	1,142	998	14%
Adjusted EBITDA [2]	2,584	2,499	3%
Adjusted EBITDA as a % of revenue	24%	32%	(25%)
Drilling rig operating days	531	378	40%
Drilling rig revenue per day	20.5	20.5	0%
Drilling rig utilization	58%	52%	12%
CAODC industry average utilization [3]	35%	29%	21%

(1) The comparative period has been restated to reflect discontinued operations as discussed in Note 4.

(2) Refer to "Non-GAAP measures" for further information.

(3) Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC"). The CAODC industry average is based on operating days divided by total available drilling days.

- First quarter revenue increased by $3,127 (40%) to $10,890 in 2020 as compared to $7,763 in 2019. The increase was as a result of an increase in operating days due to the higher average rig count in the first quarter of 2020. The drilling revenue per day in the first quarter of 2020 remained consistent with the drilling revenue per day in the first quarter of 2019.
- Operating days in the drilling rig division of 531 days for the first quarter of 2020 was 153 days (40%) higher than the 378 operating days in corresponding period of the prior year, as a result of the increase in rig count during the period and continued positive momentum in the drilling rig division. The drilling rig utilization for the first quarter of 2020 was 58%, 66% above the CAODC industry average utilization rate of 35%.
- For the first quarter of 2020, gross margin as a percentage of revenue was 32%, 26% lower than the prior year comparative period of 43% due to higher direct operating expenses from repair and maintenance expenses combined with higher start up costs for rigs that began operations in the first quarter of 2020.
- For the period ended March 31, 2020, net income from continuing operations of $1,135 was down $76 (6%) compared to net income of $1,211 during the prior year comparative period. For the period ended March 31, 2020, Adjusted EBITDA was $2,584 an $85 (3%) increase from $2,499 as compared to the corresponding 2019 period, as a result of the increase in active rig count which was partially offset by the increased general and administrative expenses compared to 2019. Net income and Adjusted EBITDA from continuing operations were negatively impacted by start up costs incurred for rigs that began operations in the first quarter and the reallocation of Corporate G&A expenses after the sale of the directional drilling division in Q2 2019.
- General and administrative expenses for the first quarter of 2020 were $1,142 up $144 (14%) from $998 for the comparable period of 2019. This was as a result of increased headcount and the higher allocation of corporate expenses related to salaries, legal, IT, and rent as part of the Corporation's continuing operations due to the discontinuation of the directional drilling division in Q2 2019.

EXPENSES

General and Administrative Expenses

(000's CAD $)	Three months ended March 31, 2020	2019	% Change
Administrative expenses	302	380	(21%)
Salaries and benefits	643	481	34%
Share-based payments	95	29	228%
Depreciation of right-of-use assets	102	108	(6%)
Total general and administrative expenses	1,142	998	14%

Total general and administrative expenses for the period ended March 31, 2020 were $1,142, an increase of $144 (14%) from $998 for the comparative 2019 period. The primary reasons for the increase in administrative expenses and salaries and benefit costs was due to increased headcount and the increased allocation of administrative and salary expenses which remains part of the Corporation's continuing operations due to the discontinuation of the directional drilling division in Q2 2019.

Share-based payments expense for the period ended March 31, 2020 relate to the expense of stock options issued to directors, officers, consultants and employees of the Corporation. Stock option expense fluctuates based on the share price of grants during the year, expiries and forfeitures of options and the effects of vesting.

At the date of this MD&A, 6,447,000 stock options and 132,046,000 common shares were outstanding.

Depreciation of right-of-use assets represents the straight-line amortization of the Corporation's leases under IFRS 16, Leases which was adopted January 1, 2019.

Depreciation of Property and Equipment

(000's CAD $)	Three months ended March 31, 2020	2019	% Change
Depreciation of property and equipment	1,090	938	16%

Depreciation expense for the period ended March 31, 2020 was $1,090, an increase of $152 (16%) from $938 for the period ended March 31, 2019. The primary reason for the increase was the Corporation's larger depreciable asset base due to the increased drilling rig count and capital investments made in 2020 and 2019 related to rig upgrades.

Other Items

(000's CAD $)	Three months ended March 31, 2020	2019	% Change
Gain from equipment lost in hole	-	15	(100%)
Finance costs	(221)	(175)	26%
Other income	24	42	(43%)
Foreign exchange gain	35	4	775%
Transaction costs	-	(99)	(100%)
Other items	(162)	(213)	(24%)

For the period ended March 31, 2020, finance costs were $221, a $46 (26%) increase from $175 as compared to the first quarter of 2019. The increase was due to higher 2020 debt levels associated with the Corporation's line of credit. The higher 2020 debt levels as compared to the first quarter of 2019 were a result of increased capital spend and working capital as a result of increased activity for the period ended March 31, 2020 compared to the corresponding period of the prior year.

For the period ended March 31, 2020, other income was $24 as compared to $42 in the corresponding 2019 period. Other income is comprised of rent collections from the Corporation's subleases.

For the period ended March 31, 2020, there were no transaction costs incurred compared to $99 (100%) in the corresponding 2019 period. Transaction costs for 2019 consisted of non-capitalizable amounts related to US start-up costs.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a summary of the Corporation's quarterly results for each of the last eight quarters:

	2020	2019				2018		
(000's CAD $)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4(1)**	**Q3(1)**	**Q2(1)**
Continuing operations								
Revenue	10,890	6,705	5,910	3,319	7,763	6,025	3,068	1,447
Gross margin (2)	3,529	2,116	1,790	931	3,360	2,454	869	404
Net income (loss) - continuing operations	1,135	(104)	(705)	(1,649)	1,211	520	(623)	(684)
Basic per share	0.01	(0.00)	(0.01)	(0.01)	0.01	0.00	(0.00)	(0.01)
Diluted per share	0.01	(0.00)	(0.01)	(0.01)	0.01	0.00	(0.00)	(0.01)
Adjusted EBITDA (2)	2,584	1,139	682	(122)	2,499	1,422	150	(79)
Combined operations								
Revenue	10,890	6,705	5,910	3,321	9,598	6,566	4,785	2,047
Gross margin (2)	3,529	2,116	1,790	898	4,210	2,471	1,247	464
Net income (loss)	1,135	(154)	(724)	(1,408)	2,041	(1,995)	(904)	(1,425)
Basic per share	0.01	(0.00)	(0.01)	(0.01)	0.02	(0.02)	(0.01)	(0.01)
Diluted per share	0.01	(0.00)	(0.01)	(0.01)	0.01	(0.02)	(0.01)	(0.01)
Adjusted EBITDA (2)	2,584	1,056	682	(177)	3,028	1,085	158	(619)
Working capital (3)	(6,729)	(8,241)	(4,423)	(2,509)	1,304	(2,056)	4,611	6,291
Total assets	53,665	53,182	51,165	47,433	51,989	46,435	43,096	43,411

(1) The comparative period has been restated to reflect discontinued operations as discussed in Note 4.

(2) Refer to "Non-GAAP measures" for further information.

(3) Working capital in Q1 2019 includes assets held for sale and liabilities related to assets held for sale.

Comparative period information reflects the results of the continuing operations separately from the discontinued operations (see note 4 of the condensed consolidated interim financial statements for the period ended March 31, 2020).

Seasonality

An assessment or comparison of the Corporation's quarterly results, at any given time, requires consideration of crude oil and natural gas commodity prices and the seasonal nature of the oil and gas industry in North America. Commodity prices ultimately drive the level of exploration and development activities carried out by the Corporation's customers and associated demand for the oilfield services provided by Stampede. Results are impacted by the gain or loss of key customers and expected customer capital spending. Additions or losses of key customers can fluctuate on a quarterly basis. From a seasonality perspective, the Corporation currently operates all of its drilling rigs in Western Canada, therefore, operations are impacted by weather and seasonal factors. The winter season, which incorporates the first quarter, is generally a higher activity period as oil and gas companies take advantage of frozen ground conditions to move heavy equipment and operate in regions which might otherwise be inaccessible due to ground conditions during warmer periods. The second quarter normally encompasses a slow period in Canada referred to as spring break-up. During this period, melting conditions result in temporary municipal road bans that effectively prohibit the movement of drilling rigs and other heavy equipment. The third and fourth quarters in Western Canada are usually representative of average activity levels.

RESULTS OF DISCONTINUED OPERATIONS

On April 3, 2019, the Corporation announced the discontinuation of its directional drilling division. As part of this process, the Corporation presented the results of the directional drilling operations using the guidance under “IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations”, as discontinued operations on the condensed consolidated statements of comprehensive income and the condensed consolidated statements of cash flows for the comparative periods.

During the second quarter of 2019, the Corporation disposed of its directional drilling assets to an independent, third-party purchaser.

The following sets forth the operating results and cashflows from discontinued operations for the comparative period ended March 31, 2019:

	Three months ended March 31, 2019
Revenue	1,835
Cost of sales:	
Direct operating expenses	928
Depreciation of property and equipment	-
	928
Income from operations	907
Expenses	
Administrative expenses	85
Salaries, benefits, and severance	293
Share based payments	7
	385
Net income before interest and other income	522
Loss from disposition of property and equipment	(2)
Gain from equipment lost in hole	307
Foreign exchange gain	3
Net Income - discontinued operations	830

CAPITAL PROGRAM

The recent development of the macro-economic factors of the COVID-19 virus, instability created by OPEC+’s inability to maintain the global oil supply and the resulting impact to commodity prices, have created an adverse effect on the energy industry.

As a result of the current global events, the Corporation has reduced its 2020 remaining capital spending forecast to $0 and has eliminated all nonessential repairs and maintenance of its entire fleet of rigs. In the event market conditions improve, the Corporation will reassess its 2020 capital budget.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation’s primary liquidity and capital resource needs are to fund ongoing capital expenditures and growth opportunities; to service its debt, including interest payments; and to finance working capital needs. The Corporation’s short-term and long-term liquidity needs are met through cash flow from operations, the operating loan, and debt and equity financings.

LIQUIDITY AND CAPITAL RESOURCES (continued)

(000's CAD $)	Three months ended March 31, 2020	2019	% Change
Cash provided by (used in) combined operations:			
Operating activities	3,178	(734)	(533%)
Investing activities	(2,357)	(1,365)	73%
Financing activities	(504)	3,058	(116%)
Increase (decrease) in cash and cash equivalents	317	959	(67%)

Cash Flows from Operating Activities

The overall increase in depreciation, share based payments, finance costs and changes in non-cash working capital, offset by a slight decrease in consolidated net income resulted in cash inflows from operating activities for the period ended March 31, 2020 of $3,178, an increase of $3,912 (533%) from outflows of $734 for the corresponding 2019 period.

Cash Flows from Investing Activities

For the period ended March 31, 2020, the Corporation invested $705 in property and equipment compared to $255 in the corresponding 2019 period. Purchases of property and equipment in 2019 were primarily related to drilling rig recertifications and upgrades. As well, non-cash working capital of $1,652 is related to accounts payable related to the Q4 2019 period.

Cash Flows from Financing Activities

For the period ended March 31, 2020, the Corporation repaid $274 on the operating loan compared to a drawdown of $3,224 for the period ended March 31, 2019. As well, interest costs of $120 (2019 – $67) on the operating loan and and lease principal payments of $386 (2019 – $99) combined with the operating loan repayment resulted in $504 in cash outflows from financing activities. Please refer to the heading *Adoption of New IFRS Standards* below for more information on the Corporation's adoption of IFRS 16, Leases.

Operating Loan Facility

On December 20, 2018, the Corporation established a new demand operating revolving loan facility with a Canadian chartered bank which provides for a total credit capacity of up to, but not exceeding, a maximum of $15,000 comprised of the following margin requirements:

(i) 75% of Acceptable Receivables from Non-Investment Grade Customers; plus
(ii) 85% of Acceptable Receivables from Investment Grade Customers and Major Customers; plus
(iii) 50% of the net orderly liquidation value of capital assets and equipment; less
(iv) Potential Prior Ranking Claims; less Accounts Receivables of the Corporation that have been sold or factored, whether to the Bank or another third party.

The operating loan facility bears interest at the lender's prime rate plus 85 basis points and is secured by a general first ranking security agreement on all assets, property, and undertakings of the Corporation.

The operating loan facility is subject to the following financial covenants (compared to actual calculation at period end):

	Covenant	March 31, 2020
Interest Coverage Ratio (1)	3.00:1.00 or more	6.97:1.00
Net Funded Debt to EBITDA Ratio (2)	3.00:1.00 or less	1.86:1.00

EBITDA is calculated as net income plus interest expense, income taxes, depreciation and amortization, other non-cash charges, transaction costs not to exceed $1,500, cash dividends, and losses attributable to minority equity investments, less non-cash gains, and income attributable to minority equity investments. EBITDA shall be calculated on a trailing twelve-month basis:

(1) Interest Coverage is calculated as the ratio of EBITDA as at such date to interest expense for the 12 months ending as at such date.
(2) Net Funded Debt to EBITDA is calculated as total interest-bearing indebtedness on a consolidated basis excluding cash and cash equivalents held by the bank and loans which have been subordinated and postponed in favour of the bank to EBITDA.

As at March 31, 2020, $8,208 (December 31, 2019 - $8,482) was drawn on the operating loan facility and the Corporation was in compliance with all covenants related to its operating loan facility.

COMMITMENTS

In the normal course of operations, the Corporation enters into various commitments that will have an impact on future operations.

The following table reflects the Corporation's commitments as of March 31, 2020:

(000's CAD $)	2020	2021	2022	2023	2024	2025
Operating loan	8,208		-	-	-	-
Convertible debenture repayment	2,612	-	-	-	-	-
Convertible debenture interest	261	-	-	-	-	-
Lease obligations	339	270	114	114	114	19
Trade and other payables	4,239	-	-	-	-	-
Total	15,659	270	114	114	114	19

OFF-BALANCE SHEET ARRANGEMENTS

During the first quarter 2020 and the corresponding period in 2019, the Corporation had no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below.

Credit Risk

The adoption of IFRS 9, Financial Instruments, requires an entity to estimate its expected credit loss for all trade accounts receivable even when they are not past due, based on the expectation that certain receivables will be uncollectible. Based on the Corporation's assessment, an increase in the allowance for doubtful accounts was recorded using the lifetime expected credit loss model. The expected credit loss rates are based on actual credit loss experience since inception for each operating division.

Credit risk arises from the potential that one or more counterparties fails to meet their obligations. The Corporation is normally exposed to credit risk through its accounts receivable balances. The Corporation manages credit risk by assessing the creditworthiness of its customers before providing services and on an ongoing basis, as well as monitoring the amount and age of balances outstanding. The Corporation views credit risks on its accounts receivable as normal for the industry.

Substantially all of the Corporation's cash and cash equivalents are held by a high credit quality financial institution.

For the period ended March 31, 2020, the Corporation had five customers that comprised 18%, 13%, 12%, 11% and 11% of total revenue, compared to three customers that comprised 42%, 17%, and 15% of total revenue for the period ended March 31, 2019. For the accounts receivable balances outstanding at March 31, 2020, the Corporation had five customers that comprised 27%, 15%, 13%, 17% and 5% of the total balance as compared to three customers that comprised 52%, 9% and 11% of the total balance at March 31, 2019.

The Corporation's trade and other receivables aging is as follows:

	March 31, 2020	December 31, 2019
Within 30 days	1,764	3,529
31 to 60 days	4,106	1,319
61 to 90 days	1,628	1,744
Over 90 days	500	471
Accrued accounts receivable	-	539
Other receivables	-	54
Allowance for doubtful accounts	(142)	(142)
Accounts receivable	7,856	7,514

As at the date of this MD&A, Stampede has collected 57% of the March 31, 2020 outstanding trade and other receivables balance.

FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

The Corporation's objective in managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due by maintaining sufficient cash to settle current liabilities and meet its anticipated working capital requirements. As at March 31, 2020, the Corporation had negative working capital of $6,729 (December 31, 2019 – negative $8,241) which consisted of cash of $640, $8,208 drawn on the Corporation's demand operating revolving loan facility and $2,612 in convertible debentures which mature on October 31, 2020.

Convertible debentures

	Number of convertible debentures	Liability component ($,000)	Equity component ($,000)
Balance at December 31, 2018	2,612	2,422	265
Accretion of discount	-	26	-
Balance at March 31, 2019	2,612	2,448	265
Balance at December 31, 2019	2,612	2,530	265
Accretion of discount	-	26	-
Balance at March 31, 2020	2,612	2,556	265

The Corporation has the option to redeem the principal amount of convertible debentures in cash, or alternatively through the issuance of shares, based upon a share price of 95% of the then current market price. Per the debenture agreement, redemption of the convertible debentures by share issuance is not less than 40 days, and not more than 60 days in advance of the redemption date.

The Corporation's principal sources of liquidity are operating cash flows and its operating loan. The Corporation manages its liquidity risk through the active management of cash and debt and by maintaining appropriate access to credit. The Corporation ensures that it has access to multiple sources of capital including: cash and cash equivalents, cash from operating activities and undrawn capacity on the Corporation's demand operating loan facility, to provide the necessary capital for development activities and repayment of obligations as they become due. Also, the Corporation has the ability to adjust its capital structure by issuing new equity or debt, disposing of assets and making adjustments to its operating expenditures and capital expenditure program to the extent the capital expenditures are not committed. To manage capital and operating spending, budgets are prepared, monitored regularly and updated as required. The Corporation believes it has adequate access to its demand loan facility to provide liquidity to manage fluctuations in the timing of the receipt and/or disbursement of operating cash flows.

The Corporation's trade and accrued payables were as follows:

	March 31, 2020	December 31, 2019
Accounts payable	3,696	4,452
Accrued liabilities	543	494
	4,239	4,946

Depending on the credit terms of the trade payable, interest will be charged after a predetermined number of days from the date of the invoice. The Corporation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Market Risk

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest Rate Risk
The Corporation is exposed to interest rate fluctuations on its operating loan facility which bears interest at floating market rates. For the period ended March 31, 2020, if the prime interest rate increased/decreased by 1%, with all other variables held constant, the Corporation's net income would have increased/decreased by $82. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the Corporation's exposure to interest rate fluctuations.

FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk

The Corporation is exposed to foreign currency fluctuations on its financial instruments in relation to its U.S. dollar-denominated cash, accounts receivable and accounts payable. The Corporation monitors its foreign currency exposure and attempts to minimize the effect of fluctuations in the U.S. dollar by maintaining appropriate levels of cash and accounts receivable to offset corresponding U.S. dollar denominated accounts payable.

c) Fair Value

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the observable nature of inputs employed in the measurement:

Level 1: fair value measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices. Level 2 valuations are based on inputs including quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the derivative instrument.

Level 3: fair value measurements are based on unobservable information or where the observable data does not support a significant portion of the instrument's fair value. The carrying amount of cash and cash equivalents, trade and other receivables, operating line, and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. At March 31, 2020, the Corporation valued its cash and cash equivalents using Level 1 inputs. The Corporation does not have any Level 2 instruments. The fair value of the convertible debentures liability was recorded based on an estimated fair value interest rate and is considered a Level 3 fair value instrument.

As the debentures have not traded, the fair value of the debentures is $2,612 as at March 31, 2020 (December 31, 2019 - $2,612), based on the purchase price of $1 per debenture.

NEW IFRS STANDARD ADOPTED

The following standards were adopted during the period and the Corporation determined they had no material impact on the financial statements:

IAS 1, Presentation of Financial Statements

IAS 1 has amended the definition of material to "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The previous definition of material from IAS 1 was "omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor."

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 amended the definition of material to reflect the changes outlined above under IAS 1.

IAS 12, Income Taxes

IAS 12 currently provides guidance on current and deferred tax assets and liabilities, however uncertainty may exist on how tax law applies to certain transactions.

IFRS 3, Business Combinations

The definition of a business has been amended in IFRS 3 to be "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities." The previous definition under IFRS 3 was "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants."

RISKS AND UNCERTAINTIES

A discussion of the Corporation's business and operational risks is set out in the Corporation's most recent AIF under the heading "Risk Factors", a copy of which can be found under the Corporation's profile at www.sedar.com. Additionally, see "Financial Instruments" and "Forward-Looking Information" in this MD&A for additional information regarding the risks to which Stampede and its business and operations are subject. If any of such risks or uncertainties actually occur, the Corporation's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking information discussed in this MD&A.

NON-GAAP MEASURES

This MD&A contains references to (i) Adjusted EBITDA and (ii) Gross margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP (Generally Accepted Accounting Principles) measures. The non-GAAP measures used by the Corporation may not be comparable to similar measures used by other companies.

(i) Adjusted EBITDA is defined as "income (loss) from operations before interest income, interest expense, taxes, transaction costs, depreciation and amortization, share-based compensation expense, gains on disposal of property and equipment, impairment expenses, other income, foreign exchange, non-recurring restructuring charges, finance costs, accretion of debentures and other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations." Management believes that in addition to net and total comprehensive income (loss), Adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed, how assets are depreciated, amortized and impaired, the impact of foreign exchange, or how the results are affected by the accounting standards associated with the Corporation's stock-based compensation plan. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating Adjusted EBITDA may differ from that of other organizations and, accordingly, its Adjusted EBITDA may not be comparable to that of other companies.

	Three months ended March 31,		
(000's CAD $)	**2020**	**2019**	**% Change**
Net loss from continuing operations	1,135	1,211	(6%)
Depreciation [(1)]	1,192	1,046	14%
Finance costs	221	175	26%
Other income	(24)	(42)	(43%)
Gain from equipment lost in hole	-	(15)	(100%)
Share-based payments	95	29	228%
Transaction costs	-	99	(100%)
Foreign exchange gain	(35)	(4)	nm
Adjusted EBITDA	2,584	2,499	3%

nm - not meaningful

[(1)] Includes depreciation of property and equipment and right-of-use assets

NON-GAAP MEASURES (continued)

(i) Gross margin is defined as "gross profit from services revenue from continuing operations before stock-based compensation and depreciation". Gross margin is a measure that provides shareholders and potential investors additional information regarding the Corporation's cash generating and operating performance. Management utilizes this measure to assess the Corporation's operating performance. Investors should be cautioned, however, that gross margin should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating gross margin may differ from that of other organizations and, accordingly, its gross margin may not be comparable to that of other companies.

	Three months ended March 31,		
(000's CAD $)	**2020**	**2019**	**% Change**
Income from operations	2,439	2,422	1%
Depreciation of property and equipment	1,090	938	16%
Gross margin	3,529	3,360	5%
Gross margin %	32%	43%	(26%)

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements or forward-looking information (collectively, "forward-looking information"). Forward-looking information relates to future events or the Corporation's future performance. All information other than statements of historical fact is forward-looking information. The use of any of the words "plan", ""continue", "estimate", "expect", "intend", "might", "may", "will", "should", "believe", "predict", and "forecast" are intended to identify forward-looking information. This MD&A contains forward-looking information pertaining to, among other things: the Corporation's expectations regarding the impact on macro-economic factors of the COVID-19 virus, of instability created by OPEC's inability to maintain the global oil supply and the resulting impact of both on commodity prices; the effect of measures implemented by the Corporation to protect its field and office employees while ensuring business continuity; the Corporation's expectation that Canadian oil and gas producers will continue to be faced with the challenge of exporting their products due to uncertainty surrounding the timing of the Trans Mountain pipeline expansion project; the Corporation's capital expenditure budget for 2020 and expected responses to COVID-19 and commodity pricing; the Corporation's ability to withstand the impact the current commodity price cycle will have on its forecasted activity levels for the remainder of 2020 and into 2021; the belief that Adjusted EBITDA is a useful supplemental financial measure; the expectation of having full access to its Operating Loan facility to fund 2020 operations and other strategic opportunities; the ability of the Corporation to extend the maturity date of its $2,612 convertible debenture due in October 2020, or to convert the debenture to equity on the maturity date; and the expected effects of seasonality and weather on the Corporation's operations and business, amongst others.

Forward-looking information is presented in this MD&A for the purpose of assisting investors and others in understanding certain key elements of the Corporation's financial results and business plan, as well as the objectives, strategic priorities and business outlook of the Corporation, and in obtaining a better understanding of the Corporation's anticipated operating environment. Readers are cautioned that such forward-looking information may not be appropriate for other purposes.

Forward-looking information, by its very nature, is subject to inherent risks and uncertainties and is based on many assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from the expectations of the Corporation expressed in or implied by such forward-looking information and that the Corporation's business outlook, objectives, plans and strategic priorities may not be achieved. Macro-economic conditions, including public health concerns (including the impact of the COVID-19 pandemic) and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry including the collapse of global crude oil prices, other commodity prices and the decrease in global demand for crude oil in 2020, and the ongoing significant volatility in world markets may adversely impact drilling and completions programs, which could materially adversely impact the Corporation. In addition to other factors and assumptions which may be identified in this MD&A, assumptions have been made regarding, among other things: the condition of the global economy, including trade, public health (including the impact of the COVID-19 pandemic) and other geopolitical risks; the stability of the economic and political environment in which the Corporation operates; the success of the measures implemented by the Corporation to protect its field and office employees and the ability to ensure business continuity at the same time; the ability of the Corporation to retain qualified staff; the ability of the Corporation to obtain financing on acceptable terms; the impact of increasing competition; the ability to protect and maintain the Corporation's intellectual property; currency, exchange and interest rates; the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully implement key cost and discretionary spending plan adjustments. Actual results and future events could differ materially from those expected or estimated in such forward-looking information. As a result, the Corporation cannot guarantee that any forward-looking information will materialize and we caution you against relying on any of this forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

FORWARD-LOOKING INFORMATION (continued)

Additional information on these and other factors are disclosed in our most recently filed management's discussion and analysis, including under the heading "Risks and Uncertainties" therein, in the Corporation's annual information form dated March 25, 2020, and in other reports filed with the securities regulatory authorities in Canada from time to time and available on SEDAR (sedar.com).

Statements, including forward-looking information, are made as of the date of this MD&A and the Corporation does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this MD&A.

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