Management's Discussion & Analysis

Stampede Drilling Inc.

For the three and six month periods ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

STAMPEDE DRILLING INC.

(“Stampede” or the “Corporation”)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

The following management’s discussion and analysis (“MD&A”) should be read in conjunction with the December 31, 2020 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, 2020, as well as the condensed unaudited consolidated interim financial statements and notes for the three and six month period ended June 30, 2021 and 2020. 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 number of drilling rigs, and operating days, or unless otherwise noted.

This MD&A is dated July 28, 2021 and is in respect of the three month and six month periods ended June 30, 2021.

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 June 30,			Six months ended June 30,		
(000’s CAD $ except per share amounts)	**2021**	**2020**	**% Change**	**2021**	**2020**	**% Change**
Revenue	4,640	275	1,587%	16,501	11,165	48%
Direct operating expenses	2,804	142	1,875%	10,017	7,503	34%
Gross margin (1)	1,836	133	1,280%	6,484	3,662	77%
Net income (loss)	(153)	(1,878)	92%	2,255	(743)	403%
Basic and diluted per share	(0.00)	(0.01)	nm	0.02	(0.01)	nm
Adjusted EBITDA (1)	1,226	(417)	394%	5,143	2,167	137%
Weighted average common shares outstanding	132,166	132,046	0%	132,166	132,046	0%
Weighted average diluted common shares outstanding	132,166	132,046	0%	132,166	132,046	0%
Capital expenditures	626	4	nm	1,419	709	100%
Average active rig count	10	10	0%	10	10	0%
Drilling rig utilization	26%	0%	nm	47%	29%	62%
CAODC industry average utilization(2)	15%	4%	275%	21%	20%	5%

nm - not meaningful

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

(2) Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC") monthly Contractor Summary. The CAODC industry average is based on Operating Days divided by total available drilling days.

	As at June 30,		
(000’s CAD $)	**2021**	**2020**	**% Change**
Current assets	6,089	3,367	81%
Total assets	48,780	47,180	3%
Total current liabilities	8,737	10,739	(19%)
Total non-current liabilities	4,701	466	909%
Shareholders' equity	35,342	35,975	(2%)

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 directional 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 second quarter of 2021, Stampede generated revenue in the provinces of Alberta and Saskatchewan.

SECOND QUARTER 2021 OPERATIONAL OVERVIEW

For the three month period ended June 30, 2021, the Corporation recorded adjusted EBITDA of $1,226, up 394% from an adjusted EBITDA loss of ($417) and a net loss of ($153), down 91% from a net loss of ($1,878) and as compared to the 2020 corresponding period. The Corporations quarterly utilization rate for Q2 2021 was 26%, 73% higher than the CAODC industry average for Q2 2021 of 15%.

During Q2 2021, the Corporation qualified for the Canadian Federal Government's Canadian Emergency Wage Subsidy program ("CEWS") which was used to reduce employee related salary expenses and help minimize reduction in headcount. For the three months ended June 30, 2021, the Corporation recorded $727 against cost of sales and $95 against salaries and benefit expenses.

The Corporation continues to maintain a strong emphasis and focus on safety, culture and performance as drilling activity continues to improve and is very pleased with the results being achieved. With the increased utilization, the Corporation continued to proactively respond to the safety challenges associated with the COVID–19 pandemic and remains committed to ensuring the health and safety of all its personnel and the safe, efficient and reliable operations at each of its drilling sites.

OUTLOOK

The 2021 second quarter results exceeded the Corporation's expectations. Rising commodity pricing and corresponding producer cash flows increased drilling activity in Western Canada as compared to 2020. Due to a mild spring break-up and earlier than average seasonal recovery the Corporation was able to keep rigs going through April into June which contributed to the positive results. Based on current macroeconomic conditions and improving commodity prices the Corporation is anticipating overall industry improvements in the second half of 2021 as customers slowly increase capital spending while continuing to focus on controlling costs and improving their balance sheets.

RESULTS FROM OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

	Six months ended June 30,		
(000's CAD $ except operating days)	**2021**	**2020**	**% Change**
Revenue	16,501	11,165	48%
Direct operating expenses	10,017	7,503	34%
Gross margin (1)	6,484	3,662	77%
Gross margin %	39%	33%	18%
Net income (loss)	2,255	(743)	403%
General and administrative expenses	1,777	1,859	(4%)
Adjusted EBITDA (1)	5,143	2,167	137%
Drilling rig operating days(2)	846	531	59%
Drilling rig revenue per day	19.5	21.0	(7%)
Drilling rig utilization	47%	29%	62%
CAODC industry average utilization(3)	21%	20%	5%

nm - not meaningful

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

(2) Defined as contract drilling days, between spud to rig release

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

- Revenue for the six month period ended June 30, 2021 was $16,501, up $5,336 (48%) compared to $11,165 for the corresponding 2020 period. Overall, the increase was a result of higher customer activity levels and related increased drilling activity. Crude oil and liquids pricing reached historic lows in the prior year comparative period, which resulted in production shut-ins and minimal drilling activity. The lower revenue per day was due to increased market pricing pressures during Q1 2021 as compared to the corresponding 2020 period.
- The Corporation had a total of 846 operating days in for the first half of 2021, an increase of 315 operating days (59%) from the 531 operating days in the corresponding 2020 period. The drilling rig utilization for the first half of 2021 was 47%, which was a 62% increase from the corresponding 2020 period and 124% higher than the CAODC industry average utilization rate of 21% for 2021.
- Gross margin for the six month period ended June 30, 2021 was 39%, up 18% from 33% as compared to the corresponding 2020 period. The increase in 2021 gross margin was primarily due to the $1,596 of CEWS funding the Corporation qualified for the six months ended June 30, 2021 which was recorded against cost of sales and partially offset by the lower revenue per day. The Corporation did not record any CEWS against cost of sales for the six month period in 2020.
- For the six month ended June 30, 2021, general and administrative expenses were $1,777 down $82 (4%) from $1,859 as compared to the corresponding 2020 period. The Corporation implemented cost cutting initiatives in March 2020 due the decreased drilling activity in Western Canada which was a result of record low commodity pricing and COVID-19. In April 2021, the Corporation reinstated the 2020 salary roll backs for its employees and its board of directors. The Corporation continues to maintain cost control measures limiting discretionary spending.
- Due to the above information, Adjusted EBITDA and net income for the six month period ended June 30, 2021 were $5,143 and $2,255, respectively. Adjusted EBITDA was up 2,976 (137%) from $2,167, and net income was up $2,998 (403%) from a net loss of $743 from the 2020 corresponding period.

EXPENSES

General and Administrative Expenses

(000's CAD $)	Six months ended June 30, 2021	2020	% Change
Administrative expenses	606	452	34%
Salaries and benefits	735	1,043	(30%)
Share-based payments	276	161	71%
Depreciation of right-of-use assets	160	203	(21%)
Total general and administrative expenses	1,777	1,859	(4%)

nm - not meaningful

Total general and administrative expenses for the six month period ended June 30, 2021 was $1,777, a decrease of $82 (4%) from $1,859 for the comparative 2020 period. The Corporation implemented cost cutting initiatives in March 2020 due the decreased drilling activity in Western Canada which was a result of record low commodity pricing and COVID-19. In April 2021, the Corporation reinstated the 2020 salary roll backs for its employees and its board of directors. The Corporation continues to maintain cost control measures and limiting discretionary spending.

For the six months ended June 30, 2021, the Corporation also recorded $195 against salaries and benefit expenses related to the CEWS.

For the six months ended June 30, 2021 administrative expenses were $606, up $154 (34%) from $452 for the comparative 2020 period. The increase in administrative expenses is related to the increase in operational activity in 2021 as compared to 2020.

Share-based payments expense for the six month period ended June 30, 2021 relates to the expense of stock options issued to directors, officers 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. In March 2021 the Corporation granted 3,555 stock options which was the reason for the increase as compared to prior period. The Corporation did not grant any stock options in 2020. At the date of this MD&A, 9,123 stock options and 132,166 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. For the six month period ended June 30, 2021, depreciation of right-of-use assets expense was $160, down $43 (21%) from $203 for the corresponding 2020 period related to new negotiated terms regarding a lease extension signed in Q4 2020.

Depreciation of Property and Equipment

(000's CAD $)	Six months ended June 30, 2021	2020	% Change
Depreciation of property and equipment	2,112	2,222	(5%)

Depreciation expense for the six month period ended June 30, 2021 was $2,112, a decrease of $110 (5%) from $2,222 as compared to the corresponding 2020 period. The decrease is related to the property and equipment asset write down taken in Q4 2020.

Other Items

(000's CAD $)	2021	2020	% Change
	Six months ended June 30,		
Gain from equipment lost in hole	39	-	nm
Finance costs	(344)	(378)	(9%)
Other income	8	42	(81%)
Foreign exchange gain (loss)	(43)	12	(458%)
Other items	(340)	(324)	5%

nm - not meaningful

In Q1 2021, the Corporation recorded a gain of $39 related to equipment lost downhole. The timing of lost-in-hole recoveries is not within the control of the Corporation and therefore can fluctuate significantly from period to period.

For the six month period ended June 30, 2021, finance costs were $344, down $34 (9%) from $378 as compared to the corresponding 2020 period. The decrease in finance costs was related to a lower balance on the Corporation's Demand Facility during the first half of 2021 as compared to the corresponding period in 2020.

Other income for the six months ended June 30, 2021 is related to the sale of scrap metal during the period. For the corresponding 2020 period, other income was comprised of rent collections from the Corporation's subleases which have all expired.

SUMMARY OF QUARTERLY RESULTS

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

	2021		2020				2019	
(000's CAD $)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Continuing operations								
Revenue	**4,640**	**11,861**	2,515	714	275	10,890	6,705	5,910
Gross margin (1)	**1,836**	**4,648**	1,019	184	133	3,529	2,116	1,790
Net income (loss) - continuing operations	**(153)**	**2,408**	(2,386)	(1,633)	(1,878)	1,135	(104)	(705)
Basic per share	**(0.00)**	**0.02**	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)
Adjusted EBITDA (1)	**1,226**	**3,917**	479	(269)	(417)	2,584	1,139	682
Combined operations (2)								
Revenue	**4,640**	**11,861**	2,515	714	275	10,890	6,705	5,910
Gross margin (1)	**1,836**	**4,648**	1,019	184	133	3,529	2,116	1,790
Net income (loss)	**(153)**	**2,408**	(2,386)	(1,633)	(1,878)	1,135	(154)	(724)
Basic per share	**(0.00)**	**0.02**	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)
Adjusted EBITDA (1)	**1,226**	**3,917**	479	(269)	(417)	2,584	1,056	682
Working capital	**(2,648)**	**(2,941)**	(5,811)	(7,396)	(7,372)	(6,729)	(8,241)	(4,423)
Total assets	**48,780**	**52,298**	47,784	46,845	47,180	53,665	53,182	51,165

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

(2) 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.

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.

CAPITAL PROGRAM

In 2021 the Corporation spent $1,419 on capital expenditures for confirmed drilling programs with its customers. As commodity pricing for oil and gas steadily improves, the Corporation remains cautious with regards to forecasted drilling activity for the remainder of 2021. In the event market conditions continue to improve capital spending by the Corporation for the remainder of 2021 may increase.

As of the date of this MD&A, the Corporation is committed to $529 of capital.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2021

	Three months ended June 30,		
(000's CAD $ except per day amounts)	**2021**	**2020**	**% Change**
Drilling rig revenue	4,640	275	1,587%
Direct operating expenses	2,804	142	1,875%
Gross margin (1)	1,836	133	1,280%
Gross margin %	40%	48%	(17%)
Net income (loss)	(153)	(1,878)	92%
General and administrative expenses	780	717	9%
Adjusted EBITDA (1)	1,226	(417)	394%
Drilling rig operating days(2)	239	-	nm
Drilling rig revenue per day	19.4	-	nm
Drilling rig utilization	26%	0%	nm
CAODC industry average utilization(3)	15%	4%	275%

nm - not meaningful

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

(2) Source: The Canadian Association of Oilwell Drilling Contractors ("CAODC") monthly Contractor Summary. The CAODC industry average is based on Operating Days divided by total available drilling days.

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

(2) Defined as contract drilling days, between spud to rig release

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

- Revenue for the three month period ended June 30, 2021 was $4,640, up $4,365 compared to $275 for the corresponding 2020 period. Overall, the increase was as a result of higher customer activity levels resulting in increased drilling activity. Crude oil and liquids pricing reached historic lows in the prior year comparative period, which resulted in production shut-ins and minimal drilling activity.
- The Corporation had a total of 239 operating days in Q2 2021, as compared to zero days in 2020. The operating days in 2020 were severely impacted by the record low commodity pricing in 2020 and corresponding drop in customer drilling activity. The drilling rig utilization for Q2 2021 was 26%, which was 73% higher than the CAODC industry average utilization rate of 15% for 2021.
- Gross margin for the three month period ended June 30, 2021 was 40%, which was positively impacted by the $727 reduction of field hand wages related to the CEWS. The higher 2020 gross margin was related to third party rebilling as there were no operating days in Q2 2020.

- For the three months ended June 30, 2021, general and administrative expenses were $780 up $63 (9%) from $717 as compared to the corresponding 2020 period. The increase is related to increased operating activity and reinstatement of salary roll backs offset by CEWS in 2021 as compared to 2020.
- Due to the above information, Adjusted EBITDA and net loss for the three month period ended June 30, 2021 were $1,226 and $153, respectively. Adjusted EBITDA was up $1,643 (394%) from a loss of $417, and net loss was down $1,725 (92%) from a net loss of $1,878 from the 2020 corresponding period.

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, operating loan, and debt and equity financings.

	Six months ended June 30,		
(000's CAD $)	**2021**	**2020**	**% Change**
Cash provided by (used in):			
Operating activities	3,673	3,480	6%
Investing activities	(1,293)	(865)	49%
Financing activities	(2,438)	(2,210)	10%
Increase (decrease) in cash and cash equivalents	(58)	405	(114%)

Cash Flows from Operating Activities

For the six month ended June 30, 2021, cash flows from operating activities were $3,673, up $193 (6%) from $3,480 compared to the corresponding 2020 period. The overall increase was primarily related to the increase in net income and was partially offset by the decrease in non-cash working capital for the six months ended June 30, 2021 as compared to the corresponding 2020 period.

Cash Flows from Investing Activities

For the six month period ended June 30, 2021, cash flows used in investing activities were $1,293, up $428 (49%) from $865 compared to the corresponding 2020 period. The overall increase is primarily related to $1,419 in purchases of property and equipment for the six months ended June 30, 2021 as compared to $709 for the corresponding 2020 period.

Cash Flows from Financing Activities

For the six month period ended June 33, 2021, cash flows used in financing activities were $2,438, up $228 (10%) from $2,210 compared to the corresponding 2020 period. The increase in financing activities is primarily related to repayment of $2,132 of the Corporation's demand facility as compared to $1,681 for the corresponding 2020 period.

Loans and Borrowings

Demand Operating Revolving Loan Facility ("Demand Facility")

On December 20, 2018, the Corporation established the Demand Facility with HSBC Bank of Canada ("HSBC") 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 HSBC or another third party.

The Demand 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.

On November 30, 2020, the Corporation amended the Demand Facility, which included the following amended covenant thresholds:

EBITDA per the Demand Facility 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:

1. Interest Coverage is calculated as the ratio of EBITDA as at such date to interest expense 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.

Revised Net Funded Debt/EBITDA Covenants

- as at the fiscal quarter end June 30, 2021, permit EBITDA, calculated using EBITDA for such fiscal quarter end, to be no less than negative $600;
- as at the fiscal quarter end September 30, 2021, permit EBITDA, calculated using EBITDA for such fiscal quarter end, to be less than $200; and
- as at the fiscal quarter end December 31, 2021, permit EBITDA, calculated using EBITDA for such fiscal quarter end, to be less than $650.

Revised trailing twelve month Interest Coverage Ratio

- as at the fiscal quarter end June 30, 2021, waived;
- as at fiscal quarter end September 30, 2021, permit the Interest Coverage Ratio, calculated using Interest Expense and EBITDA for such fiscal quarter end, to be no less than 1.00:1.00;
- as at fiscal quarter end December 31, 2021, permit the Interest Coverage Ratio, calculated using Interest Expense and EBITDA for such fiscal quarter end, to be less than 3.00:1.00;

As at June 30, 2021, the amended Demand Facility is subject to the following financial covenants:

	Covenant	June 30, 2021
Interest Coverage Ratio (1)	Waived	13.41:1.00
Net Funded Debt to EBITDA Ratio (2)	Minimum EBITDA of ($600)	$1,134

Subsequent to December 31, 2021 the debt covenants related to the Demand Facility will revert back to the following original ratios:

	Covenant
Interest Coverage Ratio (1)	3.00:1.00 or more
Net Funded Debt to EBITDA Ratio (2)	3.00:1.00 or less

As at June 30, 2021, $6,128 (December 31, 2020 - $8,260) was drawn on the Demand Facility and the Corporation was in compliance with all covenants related to its Demand Facility.

Convertible Debenture

	Number of convertible debentures	Liability component ($,000)	Equity component ($,000)
Balance at January 1, 2020	2,612	2,530	265
Accretion of discount	-	82	-
Liability revaluation adjustment	-	(130)	-
Equity revaluation adjustment	-	-	(219)
Balance at December 31, 2020	2,612	2,482	46
Balance at December 31, 2020	2,612	2,482	46
Accretion of discount	-	29	-
Balance at June 30, 2021	2,612	2,511	46

Business Development Bank of Canada ("BDC")

In conjunction with the amending credit agreement on November 30, 2020, the Corporation entered into a loan facility in an amount of up to $2,000 with the BDC ("BDC Facility"). The BDC Facility has an interest rate equal to BDC's floating base rate, currently at 4.55% and a maturity date of September 1, 2023. The Corporation granted BDC a security interest in all present and after-acquired property, except consumer goods, accounts receivable and inventory. BDC, HSBC and the Corporation have also entered into a priority agreement, whereby the BDC security interest is postponed and subordinated to the security interests held by HSBC in the personal property of the Corporation in connection with the BDC Facility.

As at June 30, 2021, the Corporation had drawn $2,000 of the BDC Facility.

COMMITMENTS

The following table reflects the Corporation's commitments as of June 30, 2021:

(000's CAD $)	2021	2022	2023	2024	2025	2026
Operating loan	6,128	-	-	-	-	-
Convertible debenture repayment	-	-	2,612	-	-	-
Convertible debenture interest	196	261	218	-		
BDC Facility	100	400	1,500	-	-	-
BDC Facility interest	68	78	47	-	-	-
Lease obligations	294	175	114	114	19	-
Trade and other payables	2,234	-	-	-	-	-
Total	9,020	914	4,491	114	19	-

As of the date of this MD&A the Corporation has committed $529 related to capital expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

During the first six months of 2021 and the corresponding period in 2020, the Corporation had no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Credit Risk

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

IFRS 9 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.

The loss allowance provision for trade accounts receivable as at June 30, 2021 reconciles to the opening loss allowance provision as follows:

At December 31, 2020	59
Increase in credit loss allowance	21
As at June 30, 2021	80

Credit risk arises from the potential that one or more counterparties fail 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 high credit quality financial institutions.

For the three month period ended June 30, 2021, the Corporation had three customers that comprised 37%, 12% and 11% of total

revenue, compared to two customers that comprised 53% and 47% of total revenue for the period ended June 30, 2020.
For the six month period ended June 30, 2021, the Corporation had 4 customers that comprised 26%, 21%, 11% and 10% of total revenue, compared to 6 customers that comprised 17%, 13%, 11%, 11%, 10% and 10% of total revenue for the period ended June 30, 2020.

For the accounts receivable balances outstanding as at June 30, 2021, the Corporation had one customer that comprised 49% of the total balance as compared to two customers that comprised 59% and 44% of the total balance as at June 30, 2020.
The Corporation’s trade and other receivables aging is as follows:

	June 30, 2021	December 31, 2020
Within 30 days	1,737	956
31 to 60 days	1,019	985
61 to 90 days	568	583
Over 90 days	947	48
Accrued accounts receivable	975	337
Other receivables	167	557
Allowance for doubtful accounts	(80)	(59)
Accounts receivable	5,333	3,407

As at June 30, 2021, approximately 18% of the Corporation’s total accounts receivable balance was over 90 days. The Corporation’s provision for uncollectible accounts are based on historical loss experience and is adjusted for forward looking estimates based on current and future economic conditions using internal and externally sourced data.

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 June 30, 2021, the Corporation had negative working capital of $2,648 (December 31, 2020 – negative $5,811). The Corporation’s principal sources of liquidity are operating cash flows and its operating loan. The Corporation monitors its liquidity position on an ongoing basis and manages liquidity risk by regularly evaluating capital and operating budgets, forecasting cash flows and maintaining a sufficient credit facility to meet financing requirements.

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

	June 30, 2021	December 31, 2020
Accounts payable	1,552	974
Accrued liabilities	476	364
Total current accounts payable and accrued liabilities	2,028	1,338
Other liabilities	206	230
Total accounts payable, accrued liabilities and other liabilities	2,234	1,568

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 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 three month period ended June 30, 2021, 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 $15. For the six month period ended June 30, 2021, 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 $36. The Corporation has not entered

into any interest rate swaps or other financial arrangements that mitigate the Corporation’s exposure to interest rate fluctuations.

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, Demand Facility, and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. The fair value of the BDC Facility approximates it carrying amount as the BDC Facility has a floating interest rate. At June 30, 2021, 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.

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.

(000’s CAD $)	Three months ended June 30, 2021	2020	% Change	Six months ended June 30, 2021	2020	% Change
Net income (loss)	(153)	(1,878)	92%	2,255	(743)	403%
Depreciation	1,121	1,233	(9%)	2,272	2,425	(6%)
Finance costs	161	157	3%	344	378	(9%)
Other income	(2)	(18)	(89%)	(8)	(42)	(81%)
Gain from equipment lost in hole	-	-	nm	(39)	-	nm
Share-based payments	91	66	38%	276	161	71%
Foreign exchange gain (loss)	8	23	(65%)	43	(12)	(458%)
Adjusted EBITDA	1,226	(417)	394%	5,143	2,167	137%

nm - not meaningful

(ii) 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.

(000’s CAD $)	Three months ended June 30, 2021	2020	% Change	Six months ended June 30, 2021	2020	% Change
Income (loss) from operations	794	(999)	179%	4,372	1,440	204%
Depreciation of property and equipment	1,042	1,132	(8%)	2,112	2,222	(5%)
Gross margin	1,836	133	1,280%	6,484	3,662	77%
Gross margin %	40%	48%	(17%)	39%	33%	18%

nm - not meaningful

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 "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "could", "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 impacts of COVID-19 and expectations and responses related thereto; the Corporation's performance and safety record and expectations related thereto; expectations associated with the Corporation's outlook, including among other things, anticipated commodity pricing and expectations related to industry improvements, expected capital spending of the Corporation's customers, and plans, strategies and expectations regarding the Corporation's balance sheet, financial resiliency and capital spending; the Corporation's ability to maintain cost control measures; the timing and impacts of lost-in-hole recoveries; the expected effects of seasonality and weather on the Corporation's operations and business; expectations relating to the Corporation's capital program, including commodity pricing, forecasted drilling activity and market conditions; the Corporation's expectations regarding expansion opportunities; the Corporation's liquidity and capital resource needs, including the belief that the Corporation's principal sources of liquidity, its operating cash flows, operating loan and debt and equity financings will be sufficient to service its debt and fund its operations and other strategic opportunities as well as expectations regarding the management of its liquidity risk; expected future contractual commitments; the Corporation's treatment and categorization of doubtful accounts and expectations regarding credit loss rates based on its past experiences and expectations in respect of certain receivables; expectations relating to credit risk and the Corporation's assessment of its customers' creditworthiness; the Corporation's expectations that its financial risk management policies will ensure that all payables are paid within the pre-agreed credit terms; and the Corporation's expectations relating to market risk, among 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, 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 effect that improving commodity prices will have on the industry in which the Corporation operates and the Corporation; the success of the measures implemented by the Corporation to ensure the safety of its field and office employees and safe, efficient and reliable operations at each of its drilling sites; the creditworthiness of the Corporation's customers; the effectiveness of the Corporation's financial risk management policies at ensuring all payables are paid within the pre-agreed credit terms; 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.

Additional information on these and other factors are disclosed under the heading "Risks and Uncertainties" herein, in the Corporation's management's discussion and analysis and annual information form each dated March 24, 2021, 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.

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