Management's Discussion & Analysis

Stampede Drilling Inc.

For the three and six month periods ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

STAMPEDE DRILLING INC.

(“Stampede” or the “Corporation”)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

The following management’s discussion and analysis (“MD&A”) should be read in conjunction with the December 31, 2021 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), December 31, 2021 annual MD&A and the annual information form (“AIF”) for the year ended December 31, 2021, as well as the condensed unaudited consolidated interim financial statements and notes for the three and six month periods ended June 30, 2022 and 2021. 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, 2022 and is in respect of the three and six month periods ended June 30, 2022.

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)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Revenue	8,352	4,640	80%	22,920	16,501	39%
Direct operating expenses	5,996	2,804	114%	15,564	10,017	55%
Gross margin (1)	2,356	1,836	28%	7,356	6,484	13%
Net income (loss)	(457)	(153)	(199%)	1,866	2,255	(17%)
Basic and diluted income (loss) per share	(0.00)	(0.00)	nm	0.01	0.02	(50%)
Adjusted EBITDA (1)	830	1,226	(32%)	4,587	5,143	(11%)
Weighted average common shares outstanding	132,186	132,156	nm	132,178	132,156	nm
Weighted average diluted common shares outstanding	132,186	132,156	nm	147,778	144,718	2%
Capital expenditures	10,016	626	nm	11,669	1,419	nm
Number of marketed rigs	13	10	30%	13	10	30%
Drilling rig utilization	36%	26%	38%	53%	47%	13%
CAOEC industry average utilization(2)	23%	15%	53%	31%	21%	48%

nm - not meaningful
(1) Refer to "Non-GAAP Measures" for further information.
(2) Source: The Canadian Association of Energy Contractors ("CAOEC") monthly Contractor Summary. The CAOEC industry average is based on Operating Days divided by total available drilling days.

	As at June 30,		
(000’s CAD $)	**2022**	**2021**	**% Change**
Current assets	9,367	6,089	54%
Total assets	73,428	48,780	51%
Total current liabilities	16,647	8,737	91%
Total non-current liabilities	10,394	4,701	121%
Total equity	46,387	35,342	31%

DESCRIPTION OF STAMPEDE'S BUSINESS

Stampede is an energy services company that provides premier contract drilling services in Western Canada. Stampede operates a fleet of 13 telescopic double drilling rigs suited for most formations within the Western Canadian Sedimentary Basin (“WCSB”). The Corporation’s head office is located in Calgary, Alberta with operations based out of Nisku, Alberta and Estevan, Saskatchewan. The Corporation’s shares trade on the TSX Venture Exchange under the symbol “SDI”.

SECOND QUARTER 2022 OPERATIONAL HIGHLIGHTS

As previously announced on April 19, 2022, the Corporation completed the asset acquisition of three telescopic double drilling rigs which increased the Corporation‘s fleet from 10 to 13. During the second quarter of 2022, the Corporation had all 10 of its pre-existing rigs operating. The Corporation was also able to fully crew and contract two out of the three recently acquired rigs, with the third rig expected to begin operations in the third quarter of 2022.

The Corporation’s drilling rig utilization for the second quarter of 2022 was 36%, which was a 38% increase from the corresponding 2021 period and 57% higher than the CAOEC industry average utilization rate of 23%. As a result, the Corporation had a total of 339 operating days. This was an increase of 100 operating days (42%) from the 239 operating days in the corresponding 2021 period.

The Corporation had a total capital spend of $10,016 primarily related to the three rig asset acquisition during the quarter and corresponding $3,000 in upgrade capital.

Adjusted EBITDA of $830 for the second quarter of 2022 was down $396, as compared to the corresponding 2021 period. The decrease is primarily related to higher operating costs in the year offset partially by higher revenue per day. In 2022, operating expense were higher compared to the prior year due to field wage increase and the elimination of the Canadian Emergency Wage Subsidy (“CEWS”). In the second quarter of 2021, $822 was recorded as a reduction in employee wages as a result of the CEWS program.

As part of the three rig asset acquisition, the Corporation entered into a new $25,000 credit facility (“Credit Facility”). The Credit Facility has a term of three years. The Corporation will have an available limit of $18,000 under a Demand Facility and $7,000 under a term loan (the "Term Loan"). The proceeds of the Term Loan were used to finance the asset acquisition of the three rigs, with the balance used for capital expenditures for its fleet and to repay amounts outstanding under the Corporation’s previous Demand Facility.

OUTLOOK

As we head into the second half of 2022, the Corporation anticipates that commodity pricing volatility will continue due to current global macroeconomic factors such as the war in Ukraine and worldwide inflationary pressures. As a result of these macroeconomic factors, the Corporation anticipates industry activity and corresponding rig utilization for the remainder of the year and into 2023 to remain strong. The Corporation is anticipating profitability above historical averages due to increased utilization and day rates based on its current customer contracts. This profitability will be partially offset by industry wide inflationary costs due to wage increases needed to attract and retain fields hands and supply chain constraints in Western Canada and globally.

The Corporation will continue to focus on maintaining financial resiliency, in order to best position the Corporation for organic and acquisition growth.

RESULTS FROM OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

	Six months ended June 30,		
(000's CAD $ except operating days)	**2022**	**2021**	**% Change**
Revenue	22,920	16,501	39%
Direct operating expenses	15,564	10,017	55%
Gross margin[1]	7,356	6,484	13%
Gross margin %[1]	32%	39%	(18%)
Net income	1,866	2,255	(17%)
General and administrative expenses	2,976	1,777	67%
Adjusted EBITDA[1]	4,587	5,143	(11%)
Drilling rig operating days[2]	983	846	16%
Drilling rig revenue per day[3]	23.3	19.5	19%
Drilling rig utilization[4]	53%	47%	13%
CAOEC industry average utilization[5]	31%	21%	48%

(1) Refer to "Non-GAAP and Other Financial Measures" for further information.
(2) Defined as contract drilling days, between spud to rig release
(3) Drilling rig revenue per day is calculated by revenue divided by drilling rig operating days
(4) Drilling rig utilization is calculated based on operating days (spud to rig release)
(5) Source: The Canadian Association of Energy Contractors ("CAOEC") monthly Contractor Summary.

- Revenue for the six month period ended June 30, 2022 was $22,920, up $6,419 (39%) compared to $16,501 for the corresponding 2021 period. The increase was primarily related to increased customer activity levels and increased day rates with the Corporation's customer base.
- The Corporation had a total of 983 operating days for the six month period ended June 30, 2022, an increase of 137 operating days (16%) from the 846 operating days in the corresponding 2021 period.
- The Corporation's drilling rig utilization for the six month period ended June 30, 2022 was 53%, which was a 13% increase from the corresponding 2021 period and 71% higher than the CAOEC industry average utilization rate of 31% for 2022.
- Gross margin for the six month period ended June 30, 2022 was 32%, down 18% from 39% as compared to the corresponding 2021 period. The gross margin decrease was primarily related to higher rig operating expenses partially offset by the increase in revenue per day. The higher operating expenses were primarily related to an industry wide field wage increase and the Corporation also did not record any CEWS during the half of 2022 as compared to $1,596 for the corresponding 2021 period. In accordance with its accounting policy, the Corporation recorded it's 2021 CEWS subsidy as a reduction of direct operating expenses.
- For the six month period ended June 30, 2022, general and administrative expenses were $2,976 up $1,199 (67%) from $1,777 compared to the corresponding 2021 period. The increase is primarily related to increased headcount and compensation and corresponding administration expenses due to the increased 2022 activity levels.
- Adjusted EBITDA for the six months ended June 30, 2022 was $4,587, down $556 (11%) from $5,143 from the corresponding 2021 period. The decrease is primarily related to higher operating costs partially offset by the increase in revenue.
- Net income for the six months ended June 30, 2022 was $1,866, down $389 (17%) from $2,255 from the corresponding 2021 period. The decrease is primarily related to increased operating and administration costs that were partially offset by increased operating days and revenue per day.

EXPENSES

General and Administrative Expenses

	Six months ended June 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Administrative expenses	1,188	606	96%
Salaries and benefits	1,581	735	115%
Share-based payments	115	276	(58%)
Depreciation of right-of-use assets	92	160	(43%)
Total general and administrative expenses	2,976	1,777	67%

Administrative expenses for the six month period ended June 30, 2022 were $1,188, an increase of $582 (96%) from $606 for the corresponding 2021 period. The primary reason for the 2022 increase was due to increased headcount and overall operating activity levels.

For the six months ended June 30, 2022, salaries and benefits were $1,581, up $846 (115%) from $735 as compared to the corresponding 2021 period. The increase is primarily related to increased headcount and compensation expenses due to the increased 2022 activity levels.

Share-based payments expense for the six month period ended June 30, 2022 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. At the date of this MD&A, 8,593 stock options and 132,896 common shares were outstanding.

Depreciation of right-of-use assets represents the straight-line amortization of the Corporation's leases. For the six month period ended June 30, 2022, depreciation of right-of-use assets expense was $92, down $68 (43%) from $160 for the corresponding 2021 period. The decrease is related to a lease ending during the period.

Depreciation of Property and Equipment

	Six months ended June 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Depreciation of property and equipment	2,062	2,112	(2%)

Depreciation of property and equipment for the six month period ended June 30, 2022 was $2,062, a decrease of $50 (2%) from $2,112 as compared to the corresponding 2021 period. The decrease is primarily related to assets being fully depreciated at the end of the prior quarter, and the three rigs purchased during the quarter did not have a full quarter of depreciation as they were undergoing upgrades.

Other Income (Expenses)

	Six months ended June 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Gain on asset disposals	-	39	nm
Finance costs	(409)	(344)	19%
Other income	7	8	(13%)
Foreign exchange gain (loss)	(24)	(43)	(44%)
Transaction costs	(26)	-	nm
Total other income (expenses)	(452)	(340)	33%

nm - not meaningful

The Corporation did not record any asset disposals in the first six months of 2022.

For the six month period ended June 30, 2022, finance costs were $409, up $65 (19%) from $344 compared to the corresponding 2021 period. The increase in finance costs was related to a higher average borrowing base and interest rates on the Corporation's Demand Facility and Term Loan.

The Corporation recorded $26 in transactions costs for the six months ended June 30, 2022. Transaction costs are primarily related non-capitalizable costs related to various merger and acquisition opportunities throughout the period.

SUMMARY OF QUARTERLY RESULTS

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

	2022		2021				2020	
(000's CAD $)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Revenue	8,352	14,568	9,180	6,482	4,640	11,861	2,515	714
Net income (loss)	(457)	2,322	372	225	(153)	2,408	(2,386)	(1,633)
Basic and diluted net income (loss) per share	(0.00)	0.02	0.00	0.00	(0.00)	0.02	(0.01)	(0.01)
Total assets	73,428	63,218	50,755	50,626	48,780	52,298	47,784	46,845

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 2022, the Corporation has incurred $11,669 in capital spending. The capital spending was primarily related to the purchase of three rigs, upgrades and recertifications of the Corporation's equipment and the purchase of replacement drilling pipe.

On April 19, 2022, the Corporation announced the completion of the asset acquisition, from a third party, of three telescopic double drilling rigs, two top drives and ancillary equipment for $5,000.

The Corporation entered into a new $25,000 credit facility with HSBC Bank Canada (the "Credit Facility"). Stampede will have an available limit of $18,000 under a revolving facility and $7,000 under a term loan (the "Term Loan Facility"). The proceeds of the Term Loan Facility were used to finance the acquisition of the rigs, with the balance to be used for capital expenditures for its fleet and to repay amounts outstanding under Stampede's current revolving credit facility.

As commodity pricing volatility continues due the current global macroeconomic factors such as the war in Ukraine and worldwide inflationary pressures the Corporation is anticipating above profitability above historical averages due to increased utilization and day rates based on its current customer contracts. This profitability will be partially offset by industry wide inflationary costs due to wage increases needed to attract and retain fields hands and supply chain restraints in Western Canada and globally.

The Corporation will continue to focus on maintaining financial resiliency, in order to best position the Corporation for organic and acquisition growth.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2022			
	Three months ended June 30,		
(000's CAD $ except per day amounts)	**2022**	**2021**	**% Change**
Revenue	8,352	4,640	80%
Direct operating expenses	5,996	2,804	114%
Gross margin[1]	2,356	1,836	28%
Gross margin %[1]	28%	40%	(30%)
Net income (loss)	(457)	(153)	(199%)
General and administrative expenses	1,603	780	106%
Adjusted EBITDA[1]	830	1,226	(32%)
Drilling rig operating days[2]	339	239	42%
Drilling rig revenue per day[3]	24.6	19.4	27%
Drilling rig utilization[4]	36%	26%	38%
CAOEC industry average utilization[5]	23%	15%	53%

(1) Refer to "Non-GAAP and Other Financial Measures" for further information.
(2) Defined as contract drilling days, between spud to rig release
(3) Drilling rig revenue per day is calculated by revenue divided by drilling rig operating days
(4) Drilling rig utilization is calculated based on operating days (spud to rig release)
(5) Source: The Canadian Association of Energy Contractors ("CAOEC") monthly Contractor Summary.

- Revenue for the three month period ended June 30, 2022 was $8,352, up $3,712 (80%) compared to $4,640 for the corresponding 2021 period. The increase was primarily related to increased customer activity levels and increased day rates.
- The Corporation had a total of 339 operating days for the three month period ended June 30, 2022, an increase of 100 operating days (42%) from the 239 operating days in the corresponding 2021 period.
- The Corporation's drilling rig utilization for the three month period ended June 30, 2022 was 36%, which was a 38% increase from the corresponding 2021 period and 57% higher than the CAOEC industry average utilization rate of 23% for 2022.
- Gross margin for the three month period ended June 30, 2022 was 28%, down (30%) from 40% as compared to the corresponding 2021 period. The gross margin decrease was primarily related to higher rig operating expenses partially offset by the increase in revenue per day. The higher operating expenses were primarily related to an industry wide field wage increase and the Corporation did not record any Canada Emergency Wage Subsidy ("CEWS") during the quarter as compared to $727 for the corresponding 2021 period. In accordance with its accounting policy, the Corporation recorded it's 2021 CEWS subsidy as a reduction of direct operating costs.
- For the three month period ended June 30, 2022, general and administrative expenses were $1,603 up $823 (106%) from $780 as compared to the corresponding 2021 period. The increase is primarily related to increased headcount and compensation and corresponding administration expenses due to the increased 2022 activity levels.
- Adjusted EBITDA for the three months ended June 30, 2022 was $830, down $396 (32%) from $1,226 from the corresponding 2021 period. The decrease is primarily related to higher operating costs partially offset by the increase in revenue.
- Net loss for the three months ended June 30, 2022 was $457, up $304 (199%) from a net loss of $153 from the corresponding 2021 period. The decrease is primarily related to the decrease in Adjusted EBITDA for the 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, term loan and debt and equity financings.

	Six months ended June 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Cash provided by (used in):			
Operating activities	4,436	3,675	21%
Investing activities	(11,844)	(1,293)	816%
Financing activities	7,380	(2,438)	403%
Increase (decrease) in cash and cash equivalents	(28)	(56)	(50%)

Cash Flows from Operating Activities

For the six month period ended June 30, 2022, cash flows from operating activities were $4,436, up $761 (21%) from $3,675 compared to the corresponding 2021 period. The overall increase was primarily related by the increase in non-cash working capital.

Cash Flows from Investing Activities

For the six month period ended June 30, 2022, cash flows used in investing activities were $11,844, up $10,551 (816%) from $1,293 compared to the corresponding 2021 period. The overall increase is primarily related to the $3,000 investment in equity securities and the purchase of the three rigs plus related upgrades on these rigs.

Cash Flows from Financing Activities

For the six month period ended June 30, 2022, cash flows from financing activities were $7,380, up $9,818 (403%) from $2,438 used in the corresponding 2021 period. The increase in financing activities is primarily related to the amendments of the Demand Facility and corresponding addition of the Corporation's new $7,000 Term Loan.

Loans and Borrowings

Demand Operating Revolving Loan Facility ("Demand Facility")

On April 19, 2022, the Corporation amended 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 $18,000 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) The less of (a) 50% of net book value of the capital assets of the Credit Parties, subject to the limitations, and (b) 50% of the net orderly liquidation value of the capital assets and equipment for the Credit Parties located in Canada and the United States of America; less
(iv) Potential Prior Ranking Claims: less
(v) Accounts Receivables of the Corporation that have been sold or factored, whether to the Bank or another third party.

The Demand Facility bears interest at the lender's prime rate plus the applicable margin. The applicable margin is based on a pricing grid based on the Corporation's Net Funded Debt to EBITDA and ranges from 0.50% to 1.75% for prime rate loans and 1.50% to 2.75% for banker acceptance advances, and is secured by a general first ranking security agreement on all assets, property, and undertakings of the Corporation.

As at June 30, 2022, the Demand Facility was subject to the following financial covenants:

	Covenant	June 30, 2022	December 31, 2021
Fixed Charge Coverage Ratio (1)	2.50:1.00 or more	8.03:1.00	11.14:1.00
Net Funded Debt to EBITDA Ratio (2)	3.00:1.00 or less	2.05:1.00	0.88:1.00

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. Fixed Charge Coverage Ratio is the ratio of (a) EBITDA less cash taxes, including those related to any discretionary management bonus, as at such date to (b) Interest Expense plus the total of all payments of principal on debt, capital leases and obligations under the Credit Facilities including, in each case, payments under leases and off-balance Sheet arrangements and with respect to the BDC Loan.
2. Net Funded Debt to EBITDA ratio 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 June 30, 2022, $8,310 (December 31, 2021 - $6,998) was drawn on the Demand Facility and the Corporation was in compliance with all covenants.

Term Loan ("Term Loan")

In conjunction with amending the Demand Facility on April 19, 2022, the Corporation entered into a loan facility in an amount of to $7,000 with HSBC. The Term Loan has an interest rate equal to the lenders prime rate plus the applicable margin rate.

The Term Loan matures on April 19, 2025, and bears interest at the lender's prime rate plus the applicable margin. The applicable margin is based on a pricing grid based on the Corporation's Net Funded Debt to EBITDA and ranges from 0.50% to 1.75% for prime rate loans and 1.50% to 2.75% for banker acceptance advances, and is secured by a general first ranking security agreement on all assets, property, and undertakings of the Corporation. The Term Loan is subject to the same covenants as described for the Demand Facility above.

As at June 30, 2022, $6,883 (December 31, 2021 - $0) was drawn on the Term Loan and the Corporation was in compliance with all covenants.

Business Development Bank of Canada ("BDC Loan").

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 Loan. The BDC Loan has an interest rate equal to BDC's floating base rate, currently at 4.85% 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, 2022, the Corporation had drawn $1,700 of the BDC Facility and the Corporation was in compliance with all covenants related to its BDC Loan.

Convertible Debenture

	Number of convertible debentures	Liability component	Equity component
Balance at January 1, 2021	2,612	2,482	46
Accretion of discount	-	50	-
Liability revaluation adjustment	-	-	-
Equity revaluation adjustment	-	-	-
Balance at December 31, 2021	2,612	2,532	46
Balance at January 1, 2022	2,612	2,532	46
Accretion of discount	-	22	-
Liability revaluation adjustment	-	-	-
Equity revaluation adjustment	-	-	-
Balance at June 30, 2022	2,612	2,554	46

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following table reflects the Corporation's commitments and contractual obligations as of June 30, 2022:

(000's CAD $)	2022	2023	2024	2025	2026	2027
Demand Facility	8,310	-	-	-	-	-
Convertible debenture repayment	-	2,612	-	-	-	-
Convertible debenture interest	132	218	-	-		
BDC Loan	200	1,500	-	-	-	-
BDC Loan interest	37	47	-	-	-	-
Term Loan	350	700	700	5,133		
Term Loan interest	166	355	311	95		
Lease liabilities	23	157	147	53	42	38
Accounts payable and accrued liabilities and other liabilities	7,070	156	-	-	-	-
Total	16,287	5,745	1,158	5,281	42	38

As of the date of this MD&A ,the Corporation has committed approximately $2,000 related to capital expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

During the first six months of 2022 and the corresponding period in 2021, 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, 2022 reconciles to the opening loss allowance provision as follows:

At January 1, 2022	125
Increase in credit loss allowance	19
As at June 30, 2022	144

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, 2022, the Corporation had three customers that comprised 24%, 11%, and 10% of total revenue, compared to three customers that comprised 37%, 12%, and 11% of total revenue for the period ended June 30, 2021.

For the six month period ended June 30, 2022, the Corporation had three customers that comprised 18%, 11%, and 10% of total revenue, compared to four customers that comprised 26%, 21%, 11%, and 10% of total revenue for the period ended June 30, 2021.

For the accounts receivable balances outstanding as at June 30, 2022, the Corporation had three customers that comprised 34%, 12%, and 11% of the total balance as compared to four customers that comprised 30%, 12%, 11% and 10% of the total balance as at December 31, 2021.

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

	June 30, 2022	December 31, 2021
Within 30 days	5,412	3,628
31 to 60 days	911	1,549
61 to 90 days	869	577
Over 90 days	-	-
Accrued accounts receivable	1,517	926
Other receivables	-	218
Allowance for doubtful accounts	(144)	(125)
Accounts receivable	8,565	6,773

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, 2022, the Corporation had working capital (excluding debt) of $2,130 as compared to $4,920 at December 31, 2021 (please refer to “Non-GAAP and other Financial Measures” section for further information). 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.

Additionally, the Corporation entered into a new credit facility with HSBC Bank Canada (the "Credit Facility"). Under the Credit Facility, which has an initial term of three years. Stampede will have an available limit of $18,000 under a Demand Facility and $7,000 under a term loan (the "Term Loan"). The proceeds of the Term Loan were used to finance the April 19, 2022 asset acquisition, with the balance used for capital expenditures for its fleet and to repay amounts outstanding under Stampede's Demand Facility.

The Corporation’s accounts payable, accrued liabilities and other liabilities were as follows:

	June 30, 2022	December 31, 2021
Accounts payable	5,974	1,729
Accrued liabilities	1,096	845
Total current accounts payable and accrued liabilities	7,070	2,574
Other liabilities	156	181
Total accounts payable, accrued liabilities and other liabilities	7,226	2,755

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, commodity and equity prices.

a) Interest Rate Risk:
The Corporation is exposed to interest rate fluctuations on its operating Demand Facility, Term Loan and BDC Loan which bears interest at floating market rates. For the three month period ended June 30, 2022, if the prime interest rate increased/decreased by 1%, with all other variables held constant, the Corporation’s net income (loss) would have increased/decreased by $37. For the six month period ended June 30, 2022, if the prime interest rate increased/decreased by 1% with all other variables held constant, the Corporation’s net income (loss) would have increased/decreased by $66. 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 Loan approximates it carrying amount as the BDC Loan has a floating interest rate. The fair value of the Term Loan approximates its carrying amount as the Term Loan has a floating interest rate. At June 30, 2022, 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. The fair value of the investment in equity securities are based on unobservable inputs and are considered a Level 3 fair value instrument.

As at June 30, 2022 and 2021, the fair value of the debentures and investment in equity securities approximates their carrying value.

SUBSEQUENT EVENTS

Subsequent to June 30, 2022, $100 of convertible debentures at a conversion price of $0.21 were redeemed into 476 common shares of the Corporation.

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 AND OTHER FINANCIAL MEASURES

This MD&A contains references to (i) Adjusted EBITDA, (ii) Gross margin (iii) Gross margin percentage and (iv) Working capital (excluding debt). 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 asset disposals, impairment expenses, other income, foreign exchange, non-recurring restructuring charges, finance costs, accretion of debentures and other income/expenses, foreign exchange gain 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 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 June 30,			**Six months ended June 30,**		
(000's CAD $)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Net income (loss)	(457)	(153)	(199%)	1,866	2,255	17%
Depreciation	1,073	1,121	(4%)	2,154	2,272	(5%)
Finance costs	223	161	39%	409	344	19%
Other income	(5)	(2)	150%	(7)	(8)	(13%)
Gain on asset disposal	-	-	nm	-	(39)	nm
Share-based payments	28	91	(69%)	115	276	(58%)
Transaction costs	(19)	-	nm	26	-	nm
Foreign exchange gain	(13)	8	(263%)	24	43	(44%)
Adjusted EBITDA	830	1,226	(32%)	4,587	5,143	(11%)

nm - not meaningful

(ii) **Gross margin** - is defined as "Income from operations before depreciation of property and equipment". 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) 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.

(iii) **Gross margin percentage** - is calculated as gross margin divided by revenue. The Corporation believes gross margin as a percentage of revenue is an important measure to determine how the Corporation is managing its revenues and corresponding cost of sales.

The following table reconciles the Corporation's income from operations, being the most directly comparable financial measure disclosed in the Corporation's interim Financial Statements, to gross margin:

	Three months ended June 30,			**Six months ended June 30,**		
(000's CAD $)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Income from operations	1,332	794	68%	5,294	4,372	21%
Depreciation of property and equipment	1,024	1,042	(2%)	2,062	2,112	(2%)
Gross margin	2,356	1,836	28%	7,356	6,484	13%
Gross margin %	28%	40%	(30%)	32%	39%	(18%)

(iv) **Working capital (excluding debt)** - is calculated based on total current assets less total current liabilities excluding current debt. The Corporation monitors working capital and 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.

Working Capital (excluding debt)	**June 30, 2022**	**December 31, 2021**
Total current assets:	9,367	7,651
Total current liabilities	(16,647)	(10,129)

Add back current portion of debt		
Demand Facility	8,310	6,998
Term Loan	700	-
BDC Loan	400	400
Working capital (excluding debt)	2,130	4,920

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 Corporation's performance; expectations associated with the Corporation's outlook, including among other things, anticipated commodity pricing and the volatility thereof, expectations about industry activities and corresponding rig utilization; plans, strategies and expectations regarding the Corporation's balance sheet and financial resiliency; the operation of the Corporation's third recently acquired rig and the timing thereof; expected increases in utilization and day rates and the anticipated profitability of the Corporation resulting therefrom; anticipated industry wide inflationary costs and supply chain constraints and the resulting impact on the profitability of the Corporation; expectations relating to the Corporation's capital program, including commodity pricing, forecasted drilling activity and market conditions; the Corporation's liquidity and capital resource needs; the expected effects of seasonality and weather on the Corporation's operations and business; expectations regarding the management of the Corporation's 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; the Corporation's assessment of its customers' creditworthiness; and the Corporation's expectations relating to market risk.

Forward-looking information is based on certain assumptions that Stampede has made in respect thereof as at the date of this MD&A regarding, among other things: the success of the measures implemented by the Corporation to ensure the safe, efficient and reliable operations at each of its drilling sites; the creditworthiness of the Corporation's customers and counterparties; the effectiveness of the Corporation's financial risk management policies at ensuring all payables are paid within the pre-agreed credit terms; that the Corporation has adequate access to its Credit Facility to provide the necessary liquidity needed to manage fluctuations in the timing of receipt and/or disbursement of operating cash flows; the belief that Adjusted EBITDA is a useful supplemental financial measure; the ability of the Corporation to retain qualified staff; the ability of the Corporation to maintain key customers; the ability of the Corporation to obtain financing on acceptable terms; the belief that the Corporation's principal sources of liquidity will be sufficient to service its debt and fund its operations and other strategic opportunities; the ability of the Corporation to obtain financing on acceptable terms; the ability to protect and maintain the Corporation's intellectual property; the Corporation’s ability to fully crew and contract its rigs; the Corporation’s ability to maintain financial resiliency in light of current macroeconomic conditions; and the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates.

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.

While Stampede believes the expectations and material factors and assumptions reflected in the forward-looking information is reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. Forward-looking information is not a guarantee of future performance and actual results or events could differ materially from the expectations of the Corporation expressed in or implied by such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information is subject to a number of known and unknown risks and uncertainties including, but not limited to: the condition of the global economy, including trade, inflation, the ongoing conflict in Ukraine and other geopolitical risks; the condition of the crude oil and natural gas industry and related commodity prices; other commodity prices and the potential impact on the Corporation and the industry in which the Corporation operates, including levels of exploration and development activities; the impact of increasing competition; fluctuations in operating results; the ongoing significant volatility in world markets and the resulting impact on drilling and completions programs; foreign currency exchange rates; interest rates; labour and material shortages; cyber security risks; natural catastrophes; and certain other risks and uncertainties detailed under the heading "Risks and

Uncertainties" herein and in the Corporation's annual management's discussion and analysis and annual information form, each dated June 24, 2022 for the year ended December 31, 2021, and from time to time in Stampede's public disclosure documents available at www.sedar.com.

This list of risk factors should not be construed as exhaustive. Readers are cautioned that events or circumstances could cause actual results to differ materially from those predicted, forecasted, or projected. 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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