Management's Discussion & Analysis

Stampede Drilling Inc.

For the three and nine month periods ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

STAMPEDE DRILLING INC.

(“Stampede” or the “Corporation”)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 nine month periods ended September 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 November 10, 2022 and is in respect of the three and nine month periods ended September 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 September 30,			Nine months ended September 30,		
(000’s CAD $ except per share amounts)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Revenue	20,722	6,482	220%	43,642	22,983	90%
Direct operating expenses	13,932	4,107	239%	29,497	14,124	109%
Gross margin (1)	6,790	2,375	186%	14,145	8,859	60%
Net income	2,865	225	1,173%	4,727	2,480	91%
Basic and diluted earnings per share	0.02	0.00	nm	0.03	0.02	50%
Adjusted EBITDA (1)	4,983	1,269	293%	9,568	6,412	49%
Weighted average common shares outstanding	168,187	132,166	27%	144,313	132,138	9%
Weighted average diluted common shares outstanding	183,095	132,899	38%	159,231	144,905	10%
Capital expenditures	24,933	1,362	nm	36,602	2,781	nm
Number of marketed rigs	19	10	90%	19	10	90%
Drilling rig utilization	68%	37%	84%	59%	44%	34%
CAOEC industry average utilization(2)	40%	27%	48%	34%	23%	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 September 30,		
(000’s CAD $)	**2022**	**2021**	**% Change**
Current assets	15,949	7,705	107%
Total assets	106,205	50,626	110%
Total current liabilities	19,303	10,266	88%
Total non-current liabilities	12,900	4,741	172%
Total equity	74,002	35,619	108%

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 18 telescopic double drilling rigs and 1 high spec triple drilling rig 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 common shares trade on the TSX Venture Exchange under the symbol “SDI”.

THIRD QUARTER 2022 OPERATIONAL HIGHLIGHTS

For the three months ended September 30, 2022, the Corporation achieved record quarterly revenue, adjusted EBITDA and net income since its inception in 2011.

- Revenue for the three month period ended September 30, 2022 was $20,722, up $14,240 (220%) compared to $6,482 for the corresponding 2021 period.
- Adjusted EBITDA for the three months ended September 30, 2022 was $4,983, up $3,714 (293%) from $1,269 in the corresponding 2021 period.
- Net income for the three months ended September 30, 2022 was $2,865, up $2,640 (1,173%) in a net income of $225 from the corresponding 2021 period.

The Corporation’s record quarterly results primarily resulted from strong utilization rates. The Corporation’s drilling rig utilization for the third quarter of 2022 was 68%, which was an 84% increase from the corresponding 2021 period and 70% higher than the CAOEC industry average utilization rate of 40% for the third quarter of 2022. The Corporation had a total of 822 operating days in the third quarter of 2022 an increase of 481 operating days (141%) from the 341 operating days in the corresponding 2021 period.

As previously announced on August 23, 2022, the Corporation completed an asset acquisition of five telescopic double drilling rigs and one AC electric triple rig (the "Asset Acquisition"), which increased the Corporation's fleet from 13 to 19. As of the date of this MD&A, the Corporation has fully crewed and contracted two out of the five double rigs acquired pursuant to the Asset Acquisition and anticipates the remaining acquired rigs to be crewed and contracted in late Q4 2022 into January 2023. The high spec triple rig is expected to begin operations in June 2023 once capital upgrades have been completed. During the third quarter of 2022, the Corporation had all 13 of its pre-existing rigs operating.

Concurrently with the Asset Acquisition, the Corporation announced the closing of a public offering of common shares for aggregate gross proceeds of $26,625 (the "Offering"). Pursuant to the Offering, 83,202 common shares of the Corporation were issued. The Corporation directed approximately $21,500 of the proceeds of the Offering towards the purchase price of the Asset Acquisition and a portion of related upgrades.

The Corporation also entered into an amending agreement with HSBC Bank of Canada ("HSBC") to increase the total aggregate credit capacity under its credit facility (the “Credit Facility”). Under the Credit Facility, which has an initial term of three years, the Corporation has an available limit of $22,500 pursuant to a revolving facility (the “Demand Facility”) and $10,000 under a term loan (the "Term Loan"). The proceeds of the term loan were used to help finance the Asset Acquisition in the third quarter and corresponding capital expenditures for the newly acquired rigs.

The Corporation had a total capital spend of $24,933 in the third quarter of 2022 primarily related to the Asset Acquisition during the quarter and the remaining upgrades on the three rigs acquired in the second quarter of 2022.

OUTLOOK

As we head into the last quarter 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 anticipates above historical average utilization and day rates based on its current customer contracts while managing industry wide inflationary costs due to wage increases needed to attract and retain field hands and supply chain constraints in Western Canada and globally.

The Corporation has a proven track record of purchasing underutilized drilling rigs and ancillary equipment at favourable prices, and then successfully crewing them and deploying them under profitable drilling contracts. The Corporation intends to continue to use this proven strategy with its six newly acquired rigs, with a goal of building on its record breaking Q3 2022 results. The Corporation will continue to assess additional acquisition opportunities as they arise, as well as making focused capital expenditures to further enhance customer desirability of its current fleet.

The Corporation is actively managing the impact of cost increases due to industry-wide inflation by working with its customers and vendors to control and fairly allocate such costs.

RESULTS FROM OPERATIONS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022

	Nine months ended September 30,		
(000's CAD $ except operating days)	**2022**	**2021**	**% Change**
Revenue	43,642	22,983	90%
Direct operating expenses	29,497	14,124	109%
Gross margin(1)	14,145	8,859	60%
Gross margin %(1)	32%	39%	(18%)
Net income	4,727	2,480	91%
General and administrative expenses	4,874	3,015	62%
Adjusted EBITDA(1)	9,568	6,412	49%
Drilling rig operating days(2)	1,807	1,187	52%
Drilling rig revenue per day(3)	24.2	19.4	25%
Drilling rig utilization(4)	59%	44%	34%
CAOEC industry average utilization(5)	34%	23%	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 nine month period ended September 30, 2022 was $43,642, up $20,659 (90%) compared to $22,983 for the corresponding 2021 period. The increase was primarily related to increased customer activity levels due to increased demand and higher rig count and increased day rates with the Corporation's customer base.
- The Corporation had a total of 1,807 operating days for the nine month period ended September 30, 2022, an increase of 620 operating days (52%) from the 1,187 operating days in the corresponding 2021 period. Operating days increased as a result of higher demand along with the increase in rig count compared to the prior period.
- The Corporation's drilling rig utilization for the nine month period ended September 30, 2022 was 59%, which was a 34% increase from the corresponding 2021 period and 74% higher than the CAOEC industry average utilization rate of 34% for 2022.
- Gross margin percentage for the nine month period ended September 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 due to inflationary pressures partially offset by the increase in revenue per day. The Corporation did not record any Canadian Emergency Wage Subsidy ("CEWS") during the nine month period of 2022 as compared to $2,012 for the corresponding 2021 period. In accordance with its accounting policy, the Corporation recorded a portion of it's 2021 CEWS subsidy as a reduction of direct operating expenses.
- For the nine month period ended September 30, 2022, general and administrative expenses were $4,874 up $1,859 (62%) from $3,015 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 nine months ended September 30, 2022 was $9,568, up $3,156 (49%) from $6,412 from the corresponding 2021 period. The increase is primarily related to higher revenue due to increased customer demand and revenue per day and partially offset by higher operating expenses and general and administrative expenses. Additionally, in 2021, the Corporation recorded $254 as a reduction in salaries and benefits expense for a portion of the CEWS and $131 as a reduction in administrative expenses for the Canada Emergency Rent Subsidy ("CERS"). There were no CEWS or CERS recorded in 2022.
- Net income for the nine months ended September 30, 2022 was $4,727, up $2,247 (91%) from $2,480 from the corresponding 2021 period. The increase is primarily related to increased operating days and revenue per day and partially offset by higher operating expenses.

EXPENSES

General and Administrative Expenses

	Nine months ended September 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Administrative expenses	1,885	1,014	86%
Salaries and benefits	2,692	1,433	88%
Share-based payments	144	328	(56%)
Depreciation of right-of-use assets	153	240	(36%)
Total general and administrative expenses	4,874	3,015	62%

Administrative expenses for the nine month period ended September 30, 2022 were $1,885, an increase of $871 (86%) from $1,014 for the corresponding 2021 period. The increase primarily related to an increase in costs related to the overall operating activity levels. Additionally, in 2021, the Corporation recorded $131 as a reduction in administrative expenses for the CERS, there were no CERS recorded in 2022.

For the nine months ended September 30, 2022, salaries and benefits were $2,692, up $1,259 (88%) from $1,433 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. Additionally, in 2021, the Corporation recorded $254 as a reduction in salaries and benefits expense for a portion of the CEWS. There were no CEWS recorded in 2022.

Share-based payments expense for the nine month period ended September 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 grant date stock option valuation, expiries and forfeitures of options and the effects of vesting. At the date of this MD&A, 16,995 stock options and 216,407 common shares were outstanding.

Depreciation of right-of-use assets represents the straight-line amortization of the Corporation's leases. For the nine month period ended September 30, 2022, depreciation of right-of-use assets expense was $153, down $87 (36%) from $240 for the corresponding 2021 period. The decrease is related to a lease ending during the period.

Depreciation of Property and Equipment

	Nine months ended September 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Depreciation of property and equipment	3,172	3,124	2%

Depreciation of property and equipment for the nine month period ended September 30, 2022 was $3,172, an increase of $48 (2%) from $3,124 as compared to the corresponding 2021 period. The increase is primarily due to a higher depreciable asset base as a result of the asset acquisitions that occurred during the year, and offset by assets being fully depreciated during the year. The full effect of the depreciation on the newly acquired rigs is not yet reflected as they are still undergoing equipment upgrades.

Other Income (Expenses)

	Nine months ended September 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
(Loss) Gain on asset disposals	(3)	301	(101%)
Finance costs	(796)	(509)	56%
Other income	9	8	13%
Foreign exchange gain (loss)	13	(40)	(133%)
Transaction costs	(595)	-	nm
Total other income (expenses)	(1,372)	(240)	472%

nm - not meaningful

For the nine month period ended September 30, 2022, finance costs were $796, up $287 (56%) from $509 compared to the corresponding 2021 period. The increase in finance costs was related to a higher average borrowing base due to the asset acquisitions in the year and increased prime interest rates on the Corporation's Demand Facility and Term Loan.

The Corporation recorded $595 in transaction costs for the nine months ended September 30, 2022. Transaction costs are primarily 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 $)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Revenue	20,722	8,352	14,568	9,180	6,482	4,640	11,861	2,515
Net income (loss)	2,865	(457)	2,322	372	225	(153)	2,408	(2,386)
Basic and diluted earnings (loss) per share	0.02	(0.00)	0.02	0.00	0.00	(0.00)	0.02	(0.01)
Total assets	106,205	73,428	63,218	50,755	50,626	48,780	52,298	47,784

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

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2022

	Three months ended September 30,		
(000's CAD $ except per day amounts)	**2022**	**2021**	**% Change**
Revenue	20,722	6,482	220%
Direct operating expenses	13,932	4,107	239%
Gross margin[1]	6,790	2,375	186%
Gross margin %[1]	33%	37%	(11%)
Net income	2,865	225	1,173%
General and administrative expenses	1,897	1,238	53%
Adjusted EBITDA[1]	4,983	1,269	293%
Drilling rig operating days[2]	822	341	141%
Drilling rig revenue per day[3]	25.2	19.0	33%
Drilling rig utilization[4]	68%	37%	84%
CAOEC industry average utilization[5]	40%	27%	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 three month period ended September 30, 2022 was $20,722, up $14,240 (220%) compared to $6,482 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 822 operating days for the three month period ended September 30, 2022, an increase of 481 operating days (141%) from the 341 operating days in the corresponding 2021 period. Operating days increased as a result of higher demand along with the increase in rig count compared to the prior period.
- The Corporation's drilling rig utilization for the three month period ended September 30, 2022 was 68%, which was an 84% increase from the corresponding 2021 period and 70% higher than the CAOEC industry average utilization rate of 40% for 2022.
- Gross margin for the three month period ended September 30, 2022 was 33%, down (11%) from 37% 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 CEWS during the quarter as compared to $417 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 September 30, 2022, general and administrative expenses were $1,897 up $659 (53%) from $1,238 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 September 30, 2022 was $4,983, up $3,714 (293%) from $1,269 from the corresponding 2021 period. The increase is primarily related to the increase from gross margin, partially offset by higher general and administrative expenses. Additionally, in 2021, the Corporation recorded $59 as a reduction in salaries and benefits expense for a portion of the CEWS subsidy and $41 as a reduction in administrative expenses for the CERS. There were no CEWS or CERS recorded in 2022
- Net income for the three months ended September 30, 2022 was $2,865, up $2,640 (1,173%) from a net income of $225 from the corresponding 2021 period. The increase is primarily related to the increase in adjusted EBITDA for the period, partially offset by higher finance costs and transaction costs in the current 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, the Demand Facility, the Term Loan, the BDC Loan (as defined below) and debt and equity financings.

	Nine months ended September 30,		
(000's CAD $)	**2022**	**2021**	**% Change**
Cash provided by (used in):			
Operating activities	4,769	3,811	25%
Investing activities	(38,308)	(2,153)	1,679%
Financing activities	33,566	(1,695)	2,080%
Increase (decrease) in cash and cash equivalents	27	(37)	(173%)

Cash Flows from Operating Activities

For the nine month period ended September 30, 2022, cash flows from operating activities were $4,769, up $958 (25%) from $3,811 in the corresponding 2021 period. The overall increase was primarily related to the increase in net income and partially offset by changes in non-cash working capital.

Cash Flows from (used in) Investing Activities

For the nine month period ended September 30, 2022, cash flows used in investing activities were $38,308, up $36,155 (1,679%) from $2,153 in the corresponding 2021 period.

In 2022, the Corporation has incurred $24,933 in capital spending. The capital spending was primarily related to the purchase of nine 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.

On August 23, 2022, the Corporation announced the completion of the Asset Acquisition, from a third party, involving six drilling rigs, and ancillary equipment for $21,500.

For the nine month period ended September 30, 2022, the Corporation invested $4,000 in equity securities.

Cash Flows from (used in) Financing Activities

For the nine month period ended September 30, 2022, cash flows from financing activities were $33,566 up $35,261 (2,080%) from $1,695 used in the corresponding 2021 period.

The Corporation entered into the Credit Facility with HSBC providing the Corporation with a maximum credit capacity of $32,500. Under the Credit Facility, the Corporation will have an available limit of $22,500 pursuant to the Demand Facility and $10,000 under the Term Loan. The proceeds of the Term Loan were used to finance the upgrades on the newly acquired rigs, and to repay amounts outstanding under the Corporation's current revolving credit facility.

On August 23, 2022, the Corporation announced the closing of the Offering for aggregate gross proceeds of $26,625. Pursuant to the Offering 83,202 common shares of the Corporation were issued. The Corporation directed approximately $21,500 of the proceeds of the Offering towards the purchase price of the Asset Acquisition and a portion of related upgrades.

Loans and Borrowings

Demand Facility

On August 23, 2022, the Corporation amended the Demand Facility with HSBC which provides for a total credit capacity of up to, but not exceeding, a maximum of $22,500 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 September 30, 2022, the Demand Facility was subject to the following financial covenants:

	Covenant	September 30, 2022	December 31, 2021
Fixed Charge Coverage Ratio (1)	1.50:1.00 or more	3.23:1.00	11.14:1.00
Net Funded Debt to EBITDA Ratio (2)	3.00:1.00 or less	1.55:1.00	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 September 30, 2022, $7,272 (December 31, 2021 - $6,998) was drawn on the Demand Facility and the Corporation was in compliance with all covenants.

Term Loan

In conjunction with amending the Demand Facility on August 23, 2022, the Corporation entered into a loan facility in an amount of to $10,000 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 September 30, 2022, $10,000 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 Business Development Bank of Canada (the "BDC Loan"). The BDC Loan has an interest rate equal to BDC's floating base rate, which at September 30, 2022 was 7.55% 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 Loan.

As at September 30, 2022, the Corporation had drawn $1,600 of the BDC Loan and the Corporation was in compliance with all covenants related to its BDC Loan.

Convertible Debenture

	Number of convertible debentures (000's)	Liability component	Equity component
Balance at January 1, 2021	2,612	2,482	46
Accretion of discount	-	50	-
Balance at December 31, 2021	2,612	2,532	46
Balance at January 1, 2022	2,612	2,532	46
Accretion of discount	-	32	-
Conversion of convertible debentures	(100)	(97)	(1)
Balance at September 30, 2022	2,512	2,467	45

During the three months ended September 30, 2022, $100 of convertible debentures at a conversion price of $0.21 were redeemed for 476 common shares of the Corporation.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

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

(000's CAD $)	2022	2023	2024	2025	2026	2027
Demand Facility	7,272	-	-	-	-	-
Convertible debenture repayment	-	2,512	-	-	-	-
Convertible debenture interest	63	209	-	-		
BDC Loan	100	1,500	-	-	-	-
BDC Loan interest	18	47	-	-	-	-
Term Loan	250	1,000	1,000	7,750		
Term Loan interest	165	600	529	162		
Lease liabilities	125	494	485	391	379	291
Accounts payable and accrued liabilities	8,961	-	-	-	-	-
Other liabilities	10	40	39	22	22	10
Total	16,964	6,402	2,053	8,325	401	301

As of the date of this MD&A, the Corporation has committed approximately $1,600 related to capital expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

During the first nine months of 2022 and the corresponding period in 2021, the Corporation had no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

Other than as outlined below, significant accounting policies are consistent with the audited annual financial statements and MD&A for the year ended December 31, 2021.

Business combinations and goodwill

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Corporation, liabilities incurred by the Corporation to the former owners of the acquiree and the entity interests issued by the Corporation in exchange for control of the acquiree. Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Corporation incurs in connection with a business combination are recognized in profit or loss as incurred.

The Corporation measures goodwill as the fair value of the consideration transferred plus the recognized amount of any noncontrolling interest in the acquiree, less the net recognized fair value of the identifiable assets acquired and liabilities assumed, all measures as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss.

The acquired assets and assumed liabilities are recognized at fair value on the date the Corporation effectively obtains control. The measurement of the assets and liabilities acquired in each business combination is based on the information available on the acquisition date. The estimate of fair value of the acquired intangible assets (including goodwill), property and equipment and other assets and the liabilities assumed at the date of the acquisition as well as the useful lives of the acquired intangible assets and property and equipment are based on assumptions estimating the fair value of these items.

The optional concentration test under IFRS 3 – Business Combinations, permits a simplified assessment of whether an acquired set of activities and assets is in fact a business. The Corporation may elect to apply, or not apply, the test. The Corporation may make an election separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

FINANCIAL INSTRUMENTS

Credit Risk

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

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

The loss allowance provision for trade accounts receivable as at September 30, 2022 reconciles to the opening loss allowance provision as follows:

At January 1, 2022	125
Increase in credit loss allowance	166
As at September 30, 2022	291

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 September 30, 2022, the Corporation had four customers that comprised 11%, 11%, 10% and 10% of total revenue, compared to four customers that comprised 29%, 15%, 14% and 12% of total revenue for the period ended September 30, 2021.

For the nine months ended September 30, 2022, the Corporation had four customers that comprised 14%, 11%, 10% and 10% of total revenue, compared to three customers that comprised 23%, 19%, and 10% of total revenue for the period ended September 30, 2021.

For the accounts receivable balances outstanding as at September 30, 2022, the Corporation had three customers that comprised 16%, 14%, 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:

	September 30, 2022	December 31, 2021
Within 30 days	7,165	3,628
31 to 60 days	5,258	1,549
61 to 90 days	1,374	577
Over 90 days	45	-
Accrued accounts receivable	1,523	926
Other receivables	-	218
Allowance for doubtful accounts	(291)	(125)
Accounts receivable	15,074	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 September 30, 2022, the Corporation had working capital excluding debt of $6,518 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 Demand Facility. 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 the Credit Facility agreement with HSBC. Under the Credit Facility, which has an initial term of three years, the Corporation has an available limit of $22,500 under the Demand Facility and $10,000 under the Term Loan. The proceeds of the Term Loan were used to finance the Asset Acquisition and related equipment upgrades that occurred in 2022.

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

	September 30, 2022	December 31, 2021
Accounts payable	5,719	1,729
Accrued liabilities	3,242	845
Other liabilities	40	40
Total current accounts payables, accrued liabilities and other liabilities	9,001	2,614
Other liabilities	104	141
Total accounts payable, accrued liabilities and other liabilities	9,105	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 September 30, 2022, 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 $45. For the nine months ended September 30, 2022, 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 $111. 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 its 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 September 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 September 30, 2022 and 2021, the fair value of the debentures and investment in equity securities approximates their carrying value.

SUBSEQUENT EVENTS

Subsequent to September 30, 2022, the Corporation granted 6,365 stock options to purchase common shares of the Corporation to certain directors and officers. An additional 2,700 stock options were also issued to certain employees. The stock options carry a five-year term and are subject to vesting as to one quarter on the day of the grant and one quarter on each of the first, second and third anniversaries of the date of the grant at an exercise price of $0.32 per share.

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.

For the period ended September 30, 2022, the Corporation assessed the impact of the uncertainties around the outbreak of the novel strain of the coronavirus ("COVID-19"), specifically identified as the COVID-19 pandemic, the Russian invasion of Ukraine, and the current commodity price volatility on its balance sheet carrying amounts. This review required the use of judgements and estimates that resulted in no material impacts.

In addition, the evolving worldwide demand for energy and global advancement of alternative sources of energy that are not sourced from fossil fuels could result in a change in assumptions used in determining the recoverable amount and could affect the carrying value of the related assets. The timing in which global energy markets transition from carbon-based sources to alternative energy is highly uncertain.

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.

(000's CAD $)	Three months ended September 30, 2022	2021	% Change	Nine months ended September 30, 2022	2021	% Change
Net income	2,865	225	1,173%	4,727	2,480	91%
Depreciation	1,169	1,092	7%	3,325	3,364	(1%)
Finance costs	387	165	135%	796	509	56%
Other income	(2)	-	nm	(9)	(8)	13%
Loss (gain) on asset disposal	3	(262)	(101%)	3	(301)	(101%)
Share-based payments	29	52	(44%)	144	328	(56%)
Transaction costs	569	-	nm	595	-	nm
Foreign exchange (gain) loss	(37)	(3)	1,133%	(13)	40	(133%)
Adjusted EBITDA	4,983	1,269	293%	9,568	6,412	49%

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:

(000's CAD $)	Three months ended September 30, 2022	2021	% Change	Nine months ended September 30, 2022	2021	% Change
Income from operations	5,682	1,363	317%	10,973	5,735	91%
Depreciation of property and equipment	1,108	1,012	9%	3,172	3,124	2%
Gross margin	6,790	2,375	186%	14,145	8,859	60%
Gross margin %	33%	37%	(11%)	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)	September 30, 2022	December 31, 2021
Total current assets	15,949	7,651
Total current liabilities	(19,303)	(10,129)
Add back current portion of debt:		
Demand Facility	7,272	6,998
Term Loan	1,000	-
BDC Loan	1,600	400
Working capital (excluding debt)	6,518	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, market conditions and corresponding rig utilization; plans, strategies and expectations regarding the Corporation's balance sheet and financial resiliency; the crewing and contracting of the Corporation's recently acquired rigs not in operation as at the date of this MD&A and the timing thereof; the operation of the Corporation’s high spec triple rig recently acquired and the timing thereof; the assessment of additional acquisition opportunities by the Corporation; 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; 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 Corporation’s ability to fully crew and contract its rigs; 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, gross margin and gross margin percentage are useful supplemental financial measures; 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 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 March 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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