



Unaudited Condensed Consolidated Interim Financial Statements of

Stampede Drilling Inc.

For the three and nine month periods ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

Stampede Drilling Inc.

Unaudited Condensed Consolidated Interim Statements of Financial Position

(Stated in thousands of Canadian dollars)		September 30, 2025	December 31, 2024
	Note		
Assets			
Current Assets			
Cash		669	756
Trade and other receivables	12	17,374	13,682
Prepaid expenses and deposits		225	399
Assets classified as held for sale	17	1,251	-
Total Current Assets		19,519	14,837
Non-Current Assets			
Property and equipment	8	106,937	101,050
Investment in equity securities	7	4,000	4,000
Right-of-use assets	3	508	445
Goodwill		461	461
Total Non-Current Assets		111,906	105,956
Total Assets		131,425	120,793
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	12, 15	11,143	7,508
Demand Facility	9, 15	11,331	2,213
Term Loan Facility	9, 15	1,467	1,568
Lease liabilities	4, 15	98	382
Other liabilities	12, 15	15	15
Total Current Liabilities		24,054	11,686
Non-Current Liabilities			
Term Loan Facility	9, 15	14,548	15,828
Lease liabilities	4, 15	435	106
Deferred tax liabilities		188	178
Total Non-Current Liabilities		15,171	16,112
Total Liabilities		39,225	27,798
Shareholders' Equity			
Share capital	10	78,414	80,099
Contributed surplus		15,750	14,157
Accumulated other comprehensive income		906	899
Accumulated deficit		(8,476)	(7,767)
Total Shareholders' Equity		86,594	87,388
Non-Controlling interest	6	5,606	5,607
Total Equity		92,200	92,995
Total Liabilities and Equity		131,425	120,793

Note 15 Commitments and Contractual Obligations

Signed "Thane Russell"

Director

Signed "Murray Hinz"

Director

See accompanying notes to these condensed consolidated interim financial statements.

Stampede Drilling Inc.

Unaudited Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Stated in thousands of Canadian dollars, except per share amounts)	Note	Three months ended, September 30		Nine months ended, September 30	
		2025	2024	2025	2024
Revenue	16	20,678	24,262	50,094	61,679
Cost of sales:					
Direct operating expenses		13,975	16,753	34,563	41,321
Depreciation of property and equipment	8	2,365	2,136	6,992	6,164
		16,340	18,889	41,555	47,485
Income from operations		4,338	5,373	8,539	14,194
Expenses					
Administrative		977	1,081	2,540	2,575
Salaries and benefits		1,527	1,523	4,286	4,284
Share based payments	11	217	317	640	1,007
Depreciation of right-of-use assets	3	145	106	435	317
		2,866	3,027	7,901	8,183
Income before finance costs and other income (expense)		1,472	2,346	638	6,011
Gain on asset disposals	8	51	31	66	52
Finance costs	13	(442)	(511)	(1,256)	(1,534)
Other income		9	26	56	39
Foreign exchange (loss) gain		(8)	(3)	(27)	16
Transaction costs		(68)	(102)	(177)	(108)
Income (Loss) from operations before taxes		1,014	1,787	(700)	4,476
Deferred income tax expense		188	-	10	-
Total income tax		188	-	10	-
Net income (loss)		826	1,787	(710)	4,476
Net income (loss) attributable to:					
Shareholders		827	1,782	(709)	4,471
Non-controlling interests	6	(1)	5	(1)	5
		826	1,787	(710)	4,476
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustment		8	(4)	7	(4)
Total comprehensive income (loss)		834	1,783	(703)	4,472
Total comprehensive income (loss) attributable to:					
Shareholders		835	1,778	(702)	4,467
Non-controlling interests	6	(1)	5	(1)	5
		834	1,783	(703)	4,472
Basic income (loss) per share	5	\$0.00	\$0.01	(\$0.00)	\$0.02
Diluted income (loss) per share	5	\$0.00	\$0.01	(\$0.00)	\$0.02

See accompanying notes to these condensed consolidated interim financial statements.

Stampede Drilling Inc.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity
(Stated in thousands of Canadian dollars)

		Share Capital		Contributed	Accumulated	Non-		Total
	Note	Shares	Amount	Surplus	Other	Controlling	Deficit	Equity
		(000's)	\$	\$	Comprehensive	Interest	\$	\$
					Income			
					\$	\$	\$	\$
Balance as at January 1, 2024		212,004	83,128	11,604	917	5,603	(12,926)	88,326
Share based payments expense	11	-	-	940	-	-	-	940
Stock options exercised	10, 11	3,210	578	-	-	-	-	578
Stock option value of exercised options	10	-	511	(511)	-	-	-	-
Shares repurchased under NCIB	10	(7,000)	(2,718)	1,162				(1,556)
Share issuance costs	10	-	(7)	-	-	-	-	(7)
Comprehensive (loss) income for the period		-	-	-	(4)	5	4,471	4,472
Balance as at September 30, 2024		208,214	81,492	13,195	913	5,608	(8,455)	92,753
Balance as at January 1, 2025		204,197	80,099	14,157	899	5,607	(7,767)	92,995
Share based payments expense	11	-	-	524	-	-	-	524
Shares repurchased under NCIB	10	(4,255)	(1,685)	1,069	-	-	-	(616)
Comprehensive (loss) income for the period		-	-	-	7	(1)	(709)	(703)
Balance as at September 30, 2025		199,942	78,414	15,750	906	5,606	(8,476)	92,200

See accompanying notes to these condensed consolidated interim financial statements.

Stampede Drilling Inc.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

		Three months ended, September 30		Nine months ended, September 30	
<i>(Stated in thousands of Canadian dollars)</i>		2025	2024	2025	2024
Note					
Cash flows from (used in) the following activities:					
Operating activities					
		826	1,787	(710)	4,476
Net income (loss)					
Adjustments for:					
		172	298	524	940
		2,510	2,242	7,427	6,481
		(51)	(31)	(66)	(52)
		442	511	1,256	1,534
		188	-	10	-
		8	3	27	(16)
		-	(33)	-	(72)
		4,095	4,777	8,468	13,291
		(8,216)	(5,695)	(2,983)	(1,867)
		(4,121)	(918)	5,485	11,424
Funds from operating activities					
Financing activities					
		-	(3)	-	(7)
		(182)	-	(182)	-
		(419)	(463)	(1,289)	(1,926)
		(274)	(381)	(846)	(1,189)
		8,468	4,206	9,118	4,206
		(135)	(81)	(291)	(193)
		-	-	-	578
		-	(668)	(616)	(1,556)
		(162)	(122)	(488)	(364)
		7,296	2,488	5,406	(451)
Net cash flows from (used in) financing activities					
Investing activities					
		(4,981)	(3,125)	(14,212)	(12,937)
		73	61	147	142
		-	-	6	-
		1,732	(197)	3,100	(999)
		(3,176)	(3,261)	(10,959)	(13,794)
Net cash flows used in investing activities					
Change in cash					
		(1)	(1,691)	(68)	(2,821)
		12	(28)	(19)	(10)
Cash, beginning of period					
Cash, end of the period					
Supplementary cash flow disclosure information:					
		409	462	1,137	1,382
Interest paid during the period					

See accompanying notes to these condensed consolidated interim financial statements.

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
September 30, 2025 and 2024****1. REPORTING ENTITY**

Stamperde Drilling Inc. (the "Corporation") was incorporated pursuant to the provisions of the Canada Business Corporations Act on January 7, 2011 and maintains its head office at Western Canadian Place (South Tower), Suite 2600, 700 – 9th Ave SW, Calgary, Alberta, T2P 3V4. The Corporation is a publicly traded company listed on the TSX Venture Exchange ("the Exchange") under the symbol "SDI". The Corporation offers oilfield services to the oil and natural gas industry in the Western Canadian Sedimentary Basin ("WCSB").

The condensed consolidated interim financial statements of the Corporation are comprised of the Corporation, its wholly owned subsidiary Stampede Drilling (US) Inc, 50% owned subsidiary 2391764 Alberta Ltd. (Note 6) and the 18% ownership held in equity investments in two unlisted private Alberta companies.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**(a) Statement of compliance**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). They do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2024, prepared according to IFRS Accounting Standards. Unless otherwise noted, the Corporation has consistently applied the same accounting policies throughout all periods presented, as if these policies were always in effect.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policies in the annual consolidated financial statements for the year ended December 31, 2024, and are presented in Canadian dollars, which is the Corporation's functional and reporting currency. The Corporation's US subsidiary uses US dollars as its functional currency.

These unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Corporation's Board of Directors on November 6, 2025.

Seasonality

An assessment or comparison of the Corporation's 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 the Corporation. Results are impacted by the gain or loss of key customers and levels of customer capital expenditure. As contracts are short-term in nature, gains or losses of key customers can fluctuate. From a seasonality perspective, the Corporation operates all 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.

(b) Critical accounting estimates and judgments

The preparation of the condensed consolidated interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are continually evaluated and are based on historical experience and expectations of future events. While judgments and estimates used by the Corporation are believed to be reasonable under current circumstances, actual results could differ.

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 useful lives of the Corporation's property

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024

and equipment and recoverable amount of property and equipment and investments 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.

Changes to assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

A full list of the key sources of estimation uncertainty can be found in the Corporation's annual consolidated financial statements for the year ended December 31, 2024. The current market conditions have increased the complexity of estimates and assumptions used to prepare the condensed consolidated interim financial statements.

(c) Material accounting policies

Other than as outlined below, material accounting policies are consistent with the annual consolidated financial statements for the year ended December 31, 2024.

(d) Accounting standards issued by not yet applied

In April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements", which provides presentation and disclosure requirements for the primary financial statements and related notes, replacing IAS 1 "Presentation of Financial Statements". IFRS 18 introduces defined categories for income and expenses and requires disclosure of new defined subtotals, including operating profit. The new standard also requires additional notes for management performance measures and disclosure of certain expenses by nature. There are some associated changes to the statement of cash flows, including the starting point for the calculation of cash flows from operating activities and the categorization of interest and dividends. IFRS 18 is effective January 1, 2027, with early adoption permitted. The new standard is required to be adopted retrospectively. The Corporation is assessing the impact of IFRS 18 on the Corporation's consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled using an electronic payment system. The amendments also clarify the requirements for assessing whether a financial asset meets the solely payments of principal and interest criterion, and adds disclosure requirements for financial instruments with certain contingent features and for equity investments designated at fair value through other comprehensive income. The amendments are effective January 1, 2026, with early adoption permitted. The amendments are required to be adopted retrospectively, and do not require comparatives to be restated. The Corporation is assessing the impact of the amendments on the Corporation's consolidated financial statements.

STAMPEDE DRILLING INC.
(In thousands of Canadian dollars except for per share amounts)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
September 30, 2025 and 2024

3. RIGHT-OF-USE ASSETS

As lease liabilities are recognized, there is a corresponding right-of-use asset recorded at the date of which the asset becomes available for use. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

	Total
Cost	
Balance at December 31, 2024	2,581
Additions	504
Disposals	(642)
Balance at September 30, 2025	2,443
Accumulated depreciation	
Balance at December 31, 2024	2,136
Depreciation	435
Disposals	(636)
Balance at September 30, 2025	1,935
Carrying amounts	
Balance at December 31, 2024	445
Balance at September 30, 2025	508

4. LEASE LIABILITIES

The Corporation incurs lease payments related to corporate and field offices, entered into in coordination with specific business requirements which includes the assessment of the appropriate duration of the related leased assets. The Corporation has recognized lease liabilities measured at the present value of the remaining lease payments, except for leases of low-value assets which have been charged to direct operating and administrative expenses in the consolidated statements of income (loss) and comprehensive income (loss).

	Total
Balance at December 31, 2024	488
Interest expense	29
Lease payments	(488)
Additions	504
Balance at September 30, 2025	533
Less: Current portion	98
Ending balance - non-current portion	435

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024**5. EARNINGS PER SHARE**

Basic and diluted income per share have been calculated based on the net income (loss) divided by the weighted average number of common shares outstanding for the three and nine month periods ended September 30, 2025 and 2024 based on the following data:

	Three months ended, September 30		Nine months ended, September 30	
	2025	2024	2025	2024
Net income (loss)	827	1,782	(709)	4,471
Weighted average common shares (000's)	199,942	210,627	201,301	211,816
Effect of stock options (000's)	-	183	-	270
Weighted average common shares - Diluted (000's)	199,942	210,810	201,301	212,086
Basic income (loss) per common share	\$0.00	\$0.01	(\$0.00)	\$0.02
Diluted income (loss) per common share ⁽¹⁾	\$0.00	\$0.01	(\$0.00)	\$0.02

(1) For both the three and nine months ended September 30, 2025, 18.3 million and 17.4 million, respectively (2024 - 14.9 million) common shares related to the assumed exercise of stock-based compensation were excluded from the calculation of dilutive net earnings (loss) per share, as the effect was anti-dilutive.

6. NON-CONTROLLING INTEREST

On January 4, 2022, the Corporation created a subsidiary 2391764 Alberta Ltd., by entering into an agreement with a private Alberta company ("AlbertaCo"). 2391764 Alberta Ltd.'s principal place of business and incorporation is within the province of Alberta, Canada. The Corporation owns 50% and has 66.7% voting rights of the Board of Directors of 2391764 Alberta Ltd. The Corporation has accounted for its 50% share of 2391764 Alberta Ltd. using the consolidation method. These consolidated financial statements include 100% of the assets and liabilities related to 2391764 Alberta Ltd. and 50% non-controlling interest representing the net assets attributable to the non-controlling shareholders. The subsidiary specializes in the engineering, manufacturing and supply of fully integrated under balanced coil drilling rigs and corresponding support equipment for the oil and gas industry.

The summarized financial information for 2391764 Alberta Ltd., before inter-company eliminations, is provided below.

	September 30, 2025	December 31, 2024
Statements of Financial Position		
Current assets	15	17
Non-current assets	12,489	12,489
Non-current liabilities	1,094	1,094
Net Assets	11,410	11,412
Attributable to NCI ⁽¹⁾	5,606	5,607

(1) Differences in amounts attributable to NCI and 50% of net assets due to fair value adjustments recorded on initial contribution.

	Nine months ended, September 30	
	2025	2024
Statements of Comprehensive Income		
Expenses	2	(9)
Net Income (loss)	(2)	9
Net income (loss) attributable to NCI	(1)	5

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024

	Nine months ended, September 30	
	2025	2024
Statements of Cash Flows		
Cash flows used in operating activities	-	23
Cash flows used in financing activities	-	-
Cash flows used in investing activities	-	-
Change in cash position	-	23

No dividends were paid out to the non-controlling interest for the nine month period ended September 30, 2025 (2024 - \$nil).

7. INVESTMENT IN EQUITY SECURITIES

On January 4, 2022, the Corporation paid \$3,000 in cash consideration for an equity investment in two private Alberta companies, which are controlled by AlbertaCo. The two individual investments of \$1,500 were made in two separate subsidiaries of AlbertaCo and represented a 15% ownership stake in each subsidiary. On September 20, 2022, the Corporation made an additional investment of \$1,000. The cumulative \$4,000 investment represents a 18% ownership interest in the shares of each investee. The investments have been designated by the Corporation to be measured at fair value through other comprehensive income ("FVOCI") as they are not publicly traded and are fair valued based on unobservable inputs (level 3). AlbertaCo provides technology for its coil tubing drilling operations.

As at September 30, 2025, the estimated fair value of investment in equity securities is \$4,000 (2024 - \$4,000). No dividends were declared or paid out to the Corporation for the three and nine month period ended September 30, 2025 (2024 - \$nil).

8. PROPERTY AND EQUIPMENT

	Rigs and related equipment	Machinery and other equipment	Total
Cost			
Balance at December 31, 2024	133,763	838	134,601
Additions	14,209	3	14,212
Disposals	(1,208)	-	(1,208)
Assets classified as held for sale	(1,251)	-	(1,251)
Balance at September 30, 2025	145,513	841	146,354

Accumulated depreciation and impairment

Balance at December 31, 2024	32,722	829	33,551
Depreciation for the period	6,980	12	6,992
Disposals	(1,126)	-	(1,126)
Balance at September 30, 2025	38,576	841	39,417

Carrying amounts

Balance at December 31, 2024	101,041	9	101,050
Balance at September 30, 2025	106,937	-	106,937

Included in property and equipment at September 30, 2025 are assets under construction of \$12,962 (December 31, 2024 - \$10,979) which will not depreciate until the assets are placed into service.

For the nine month period ended September 30, 2025, property and equipment with a total net book value of \$82 (2024 - \$90) were disposed of for total proceeds of \$147 (2024 - \$142).

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024

The Corporation reviews the carrying value of its assets at each reporting period for indicators of impairment in accordance with the accounting policy in the December 31, 2024 annual consolidated financial statements.

As at September 30, 2025, the Corporation determined there were no impairment indicators in the land-based contract drilling CGU.

9. LOANS AND BORROWINGS**Demand Operating Revolving Loan Facility ("Demand Facility")**

On September 21, 2023, the Corporation entered into a credit agreement, which has an initial term of three years. On July 21, 2025, the Corporation amended and restated the credit agreement, extending the term of the Credit Agreement from September 20, 2026 to September 20, 2028. Under the Credit Agreement, the Corporation will have an available limit of \$15,000 under a revolving credit facility and \$15,000 under an additional revolving credit facility 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 lesser 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 earnings before interest, taxes, depreciation and amortization ("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, 2025, the Demand Facility was subject to the following financial covenants:

	Covenant	September 30, 2025	December 31, 2024
Fixed Charge Coverage Ratio ⁽¹⁾	1.50:1.00 or more	3.38:1.00	4.25:1.00
Net Funded Debt to EBITDA Ratio ⁽²⁾	3.00:1.00 or less	2.13:1.00	1.09:1.00

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 means, as at each Quarter End, the ratio of (i) EBITDA of the Borrower for the previous 12 calendar months ending at such Quarter End less Unfinanced Capital Expenditures, Cash Taxes and Cash Distributions to shareholders of the Borrower to (ii) Fixed Charges for the previous 12 calendar months ending at such Quarter End (except for the first four Quarter Ends following the Drawdown under the Demand Facility for which Fixed Charges in connection with the Term Loan Facility shall be calculated with reference to the principal repayments and trailing twelve month interest in connection therewith as at each such Quarter End).
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, 2025, \$11,331 (December 31, 2024 - \$2,213) was drawn on the Demand Facility and the Corporation was in compliance with all covenants.

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
September 30, 2025 and 2024****Term Loan Facility (“Term Loan Facility”)**

The Term Loan Facility has an interest rate equal to the lender’s prime rate plus the applicable margin rate, and quarterly principal repayments are calculated as 2.5% of the outstanding principal.

The Term Loan Facility matures on September 21, 2028, 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 Facility is subject to the same covenants as described for the Demand Facility above, which the Corporation was in compliance with as at September 30, 2025.

As at September 30, 2025, a total of \$16,015 (December 31, 2024 - \$17,622) was outstanding on the Term Loan Facility and the Corporation had \$318 (December 31, 2024 - \$226) in unamortized debt issuance costs. The amount of the Term Loan Facility excluding unamortized debt issuance costs due within one year is \$1,467 and \$14,548 is due beyond one year.

	September 30, 2025	December 31, 2024
Term Loan Facility	16,333	17,622
Less: unamortized debt issuance costs	(318)	(226)
Long term debt	16,015	17,396
Long term debt due within one year	1,467	1,568
Long term debt due beyond one year	14,548	15,828

10. SHARE CAPITALAuthorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series, none of which are issued or outstanding as of September 30, 2025.

Authorized and Issued Common Shares

	Number (000's)	Amount (\$)
Balance at December 31, 2024	204,197	80,099
Shares repurchased under NCIB	(4,255)	(1,685)
Balance at September 30, 2025	199,942	78,414

Normal Course Issuer Bid (“NCIB”)

On May 28, 2024, the Corporation announced that it had received TSX Venture Exchange (TSXV) approval to commence a normal course issuer bid to purchase for cancellation a maximum of 20,138 of its common shares representing 10% of the Corporation’s public float through the facilities of the TSXV and/or alternative trading platforms. The NCIB commenced on June 3, 2024 and expired on June 2, 2025.

All common shares repurchased under the NCIB are returned to treasury for cancellation. For the nine month period ended September 30, 2025, the Corporation had repurchased and cancelled 4,255 common shares at a weighted average price per share of \$0.14 pursuant to its NCIB. Contributed surplus was increased by \$1,069 which represents the excess of the carrying value of common shares over the purchase price of common shares.

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024**11. SHARE BASED PAYMENTS**Stock options

The Corporation has adopted an incentive stock option plan, which provides that the Board of Directors of the Corporation from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

A summary of the Corporation's outstanding stock options as at September 30, 2025 and December 31, 2024 and the changes for the period then ended, is as follows:

Stock Options	Outstanding	Weighted Average Exercise Price (\$)
Outstanding at December 31, 2023	16,373	0.27
Options granted to employees and directors	5,270	0.24
Options exercised	(3,210)	0.18
Options expired	(600)	0.25
Options forfeited	(106)	0.32
Outstanding at December 31, 2024	17,727	0.28
Options granted to employees and directors	900	0.15
Options exercised	-	-
Options expired	-	-
Options forfeited	(340)	0.30
Outstanding at September 30, 2025	18,287	0.27

Total Outstanding

Range of Exercise Prices	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (Years)
<u>Employees and directors</u>			
\$0.15 to \$0.19	900	0.15	4.66
\$0.20 to \$0.27	8,027	0.23	2.54
\$0.30 to \$0.41	9,360	0.32	2.15
	18,287	0.27	2.44

Exercisable

Range of Exercise Prices	Outstanding	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (Years)
<u>Employees and directors</u>			
\$0.20 to \$0.27	3,148	0.21	0.36
\$0.30 to \$0.41	7,264	0.32	2.13
	10,412	0.29	1.60

Shared-based payments

For the three month period ended September 30, 2025, the Corporation recorded equity-settled share-based payment expense of \$172 (2024 - \$298). For the nine month period ended September 30, 2025, the Corporation recorded equity-settled share-based payment expense of \$524 (2024 - \$940).

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
September 30, 2025 and 2024**Restricted share units

The Corporation has a cash-settled restricted share unit ("RSU") plan for certain named executives of the Corporation. Under the terms of the restricted share unit plan, RSUs granted will vest in three equal portions on the first, second and third anniversary of the grant date. RSU grants will be settled in cash in the amount equal to the volume-weighted-average trading price of the common shares of the Corporation for the five trading days preceding the particular vesting date of the award.

A summary of the Corporation's outstanding restricted share units as at September 30, 2025 and December 31, 2024 and the changes for the period then ended, is as follows:

(Units)	Restricted Share Units
Balance at December 31, 2024	703
Granted	1,425
Vested	(239)
Balance at September 30, 2025	1,889

	Nine months ended, September 30	
	2025	2024
Cash-settled share-based compensation expense		
Expense arising from RSUs	116	67
Total cash-settled share-based compensation expense	116	67

As at September 30, 2025, \$118 of outstanding liabilities for cash-settled compensation plans (December 31, 2024 - \$77) are included in accounts payable and accrued liabilities disclosed in note 12.

Stock based compensation expense recognized in the condensed consolidated interim statements of income (loss) and comprehensive income (loss) is comprised of the following:

	Nine months ended, September 30	
	2025	2024
Stock options	524	940
RSUs - cash settled expense	116	67
Total stock based compensation expense	640	1,007

12. FINANCIAL INSTRUMENTSCapital management

The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Corporation defines capital as share capital and working capital, which was \$73,879 as at September 30, 2025 (December 31, 2024 - \$83,250). For the nine month period ended September 30, 2025, the Corporation complied with externally imposed requirements on its capital, including covenants related to its Demand Facility and Term Loan Facility and expects to remain in compliance over the next year.

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

STAMPEDE DRILLING INC.
(In thousands of Canadian dollars except for per share amounts)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
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Credit risk

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, a decrease in the allowance for doubtful accounts was recorded, using the lifetime expected credit loss model.

The loss allowance provision for trade accounts receivable as at September 30, 2025 reconciles to the opening loss allowance provision as follows:

	Amount (\$)
At December 31, 2024	462
Decrease in credit loss allowance	(345)
At September 30, 2025	117

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 is held by high credit quality financial institutions.

For the three month period ended September 30, 2025, the Corporation had three customers that comprised 18%, 17%, and 14% of total revenue, compared to no customers that comprised 10% or more of total revenue for the three month period ended September 30, 2024.

For the nine month period ended September 30, 2025, the Corporation had four customers that comprised 21%, 14%, 11%, and 10% of total revenue, compared to two customers that comprised 15% and 10% of total revenue for the nine month period ended September 30, 2024.

For the accounts receivable balances outstanding as at September 30, 2025, the Corporation had two customers that comprised 18% and 14% of the total balance as compared to three customers that comprised 17%, 14%, and 10% of the total balance as at December 31, 2024.

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

	September 30, 2025	December 31, 2024
Within 30 days	6,982	6,436
31 to 60 days	5,266	3,954
61 to 90 days	1,573	1,312
Over 90 days	791	1,730
Accrued accounts receivable	2,879	712
Allowance for doubtful accounts	(117)	(462)
Accounts receivable	17,374	13,682

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, 2025, the Corporation had negative working capital of \$4,535 (December 31, 2024 – positive \$3,151). 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.

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024

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

	September 30, 2025	December 31, 2024
Accounts payable	7,242	4,710
Accrued liabilities	3,901	2,798
Total accounts payable and accrued liabilities	11,143	7,508
Other current liabilities	15	15
Total current accounts payable and accrued liabilities and other liabilities	11,158	7,523

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

Market Risk

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

a) **Interest Rate Risk:**

The Corporation is exposed to interest rate fluctuations on its operating Demand Facility and Term Loan Facility which bears interest at floating market rates. For the three month period ended September 30, 2025, 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 \$63. For the nine month period ended September 30, 2025, if the prime interest rate increased/decreased by 1%, with all other variables held constant, the Corporation's net loss would have increased/decreased by \$156. 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. For the nine month period ended September 30, 2025, if the foreign exchange rate increased/decreased by 1% with all other variables held constant, the impact on the Corporation's net income (loss) is immaterial. This analysis has been determined based on the immaterial exposure to foreign exchange for financial instruments outstanding at September 30, 2025.

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, 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 Term Loan Facility approximates its carrying amount as the Term Loan Facility has a floating interest rate. At September 30, 2025, the Corporation valued its cash using Level 1 inputs. The Corporation does not have any Level 2 instruments. The fair value of the investment in equity securities are based on unobservable inputs and are considered a Level 3 fair value instrument.

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024

As at September 30, 2025 and December 31, 2024, the fair value of the investment in equity securities approximates the carrying value.

13. FINANCE COSTS

Finance costs recognized in the condensed consolidated interim statements of income (loss) and comprehensive income (loss) are comprised of the following:

	Three months ended, September 30		Nine months ended, September 30	
	2025	2024	2025	2024
Interest on lease liabilities	8	15	29	50
Interest on Demand Facility	135	81	291	193
Interest on Term Loan Facility	274	381	846	1,189
Amortization of deferred financing costs	25	32	90	97
Other Interest	-	2	-	5
Finance costs	442	511	1,256	1,534

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following is a summary of net change in non-cash working capital items for the three and nine month periods ended September 30, 2025 and 2024:

	Three months ended, September 30		Nine months ended, September 30	
	2025	2024	2025	2024
Changes in non-cash working capital items:				
Trade and other receivables	(11,762)	(9,597)	(3,692)	(4,450)
Prepaid expenses and deposits	54	34	174	(48)
Accounts payable and accrued liabilities	5,224	3,671	3,635	1,632
Total	(6,484)	(5,892)	117	(2,866)
Relating to:				
Operating activities	(8,216)	(5,695)	(2,983)	(1,867)
Investing activities	1,732	(197)	3,100	(999)
Total	(6,484)	(5,892)	117	(2,866)

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following table reflects the Corporation's commitments and contractual obligations as of September 30, 2025:

	2025	2026	2027	Thereafter
Demand Facility	11,331	-	-	-
Term Loan Facility	408	1,534	1,386	13,005
Term Loan Facility interest ⁽¹⁾	274	1,028	929	637
Lease liabilities	37	156	152	247
Accounts payable and accrued liabilities	11,143	-	-	-
Other liabilities	15	-	-	-
Total	23,208	2,718	2,467	13,889

(1) Payments were estimated based on the applicable interest rate at September 30, 2025

STAMPEDE DRILLING INC.**(In thousands of Canadian dollars except for per share amounts)****Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)**
September 30, 2025 and 2024**16. REVENUE RECOGNITION**

	Three months ended, September 30		Nine months ended, September 30	
	2025	2024	2025	2024
Contract Drilling rig services	10,905	12,724	26,661	31,162
Contract Drilling rig lease revenue	9,773	11,538	23,433	30,517
Total revenue	20,678	24,262	50,094	61,679

The Corporation's contracts contain both a lease and a service element. IFRS 15, Revenue from Contracts with Customers (IFRS 15) requires revenue from both the service and lease elements related to customer contracts to be presented separately. A portion of the Corporation's revenue is lease revenue and not within the scope of IFRS 15, as such portions of revenue received represents the customers' ability to direct the use of an asset belonging to the Corporation.

17. ASSETS CLASSIFIED AS HELD FOR SALE

On May 5, 2025, the Corporation entered into a drilling equipment purchase and sale agreement with a private company for the sale of certain drilling triple rig components (the "Transaction"). Subsequent to the period ended September 30, 2025, the Transaction closed on October 31, 2025. The total consideration paid to the Corporation was \$5,000 in cash, plus the transfer to the Corporation of certain drilling equipment valued at approximately \$290.

The Corporation has retained key components of the triple rig for future sale or internal deployment to minimize future capital expenditures. Accordingly, the equipment sold is presented as asset held for sale. The assets classified as held for sale are presented below. The Corporation measured its non-current assets classified as held for sale at the lower of the carrying amount and fair value less costs to sell.

	September 30, 2025	December 31, 2024
Assets classified as held for sale:		
Property, plant and equipment	1,251	-
Total assets classified as held for sale	1,251	-