



**FIDDLEHEAD**



**FIDDLEHEAD  
RESOURCES  
CORP.**

**(TSXV:FHR)**

**MANAGEMENT'S DISCUSSION &  
ANALYSIS  
AS AT AND FOR THE THREE AND  
NINE MONTHS ENDED  
SEPTEMBER 30, 2025 AND 2024**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiddlehead Resources Corp. ("Fiddlehead" or the "Company") was incorporated on June 24, 2011, under the Business Corporations Act of British Columbia as "Alpha Peak Capital Inc.". Articles of Amendment were filed to change its name to "Fiddlehead Resources Corp." on September 5, 2023. On September 16, 2024, the Company completed the continuance of the Company to the Province of Alberta under the Business Corporations Act from the Province of British Columbia and the adoption of new articles of continuance (Province of Alberta) effective as of September 12, 2024. The Company is engaged in oil and natural gas exploration, development and production, and the acquisition of oil and natural gas properties, focused in the South Ferrier, Strachan areas of west central Alberta. The Company's shares are traded on the TSX Venture Exchange ("TSXV") under the symbol "FHR". The Company's head office is located at Suite 1200, 715 – 5th Avenue SW, Calgary, Alberta, Canada, T2P 2X6 and its registered office address is Suite 1000, 250 – 2<sup>nd</sup> Street SW, Calgary, Alberta, Canada, T2P 0C1.

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of November 26, 2025, in accordance with the requirements of National Instrument 51-102 – Continuous Disclosure Requirements. This MD&A should be read in conjunction with the Company's condensed interim financial statements and related notes as at and for the three and nine months ended September 30, 2025 and 2024 (the "Interim Financial Statements") and the audited annual financial statements and related notes for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"). Additional information relevant to the Company, including Fiddlehead's Annual Information Form for the year ended December 31, 2024 (the "AIF"), can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website [www.fiddleheadresources.com](http://www.fiddleheadresources.com).

Unless otherwise noted, the financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), also known as Canadian generally accepted accounting principles ("GAAP"). This MD&A contains forward-looking statements, non-GAAP financial measures and other financial and non-financial measures. Non-GAAP financial measures and ratios reported in this MD&A have been identified using capital letters and are defined herein. Readers are cautioned that the MD&A should be read in conjunction with the Company's disclosures under the headings "Non-GAAP and Other Financial Measures", "Other Measurements", "Risk and Uncertainties" and "Forward-Looking Statements" included in this MD&A. Unless otherwise indicated, all dollar amounts are quoted in Canadian dollars ("C\$"), the reporting and functional currency of the Company.

## ACQUISITION AND FINANCINGS

On August 29, 2024, the Company completed the acquisition (the "Acquisition") of the South Ferrier, Strachan area assets ("Asset" or "Assets") in Alberta from a senior Canadian producer ("Vendor"). In addition, the Company closed the underwritten private placement of subscription receipts at a price of \$0.20 per subscription receipt for aggregate gross proceeds of \$10.2 million (the "Private Placement") and a secured credit facility with a private lender for \$13.0 million (the "Credit Facility", together with the Private Placement, the "Financings").

The total consideration of the Acquisition was \$20.8 million after adjustments ("Purchase Price"). At closing, \$18.8 million was funded by the Financings. The net proceeds of the Private Placement were used to fund \$5.8 million the Purchase Price, and the remaining amounts for general corporate and working capital purposes. The Company shall pay the Vendor an additional \$1.25 million in cash by December 31, 2025. The Company shall also pay the Vendor \$1.25 million and \$1.0 million if the ICE NGX AB-NIT Same Day Index 2A gas price averages greater than C\$2.25 per gigajoule ("GJ") and C\$3.75 per GJ, respectively, over a 12-month period beginning on January 1, 2025, payable by January 31, 2026.

On June 24, 2025, Fiddlehead reached an agreement with the Assets Vendor, resulting in the elimination of the previously announced deferred and contingent considerations to the vendor of \$1.25 million and \$2.25 million, respectively, which would have been due on December 31, 2025 and January 31, 2026, respectively. Elimination of the deferred consideration resulted in a \$1.25 million gain on financial instruments. The elimination of the contingent considerations resulted in a fair value of the net liability of \$nil (December 31, 2024 - \$0.5 million), resulting in a \$0.7 million gain on derivative financial instruments.

The Assets were accounted for under joint control until the Company obtained the necessary licenses and legal title to the Assets. The AER transferred the Asset licenses to Fiddlehead on August 1, 2025, resulting in accounting for the Assets under sole control and reassessment of the fair value of the Assets based on fair value less costs of disposal ("FVLCD") methodology (Level 3 fair value measurement), calculated using the present value of the expected future cash flows after-tax. The reassessment of the fair value of the Assets resulted in a fair value adjustment to the Assets of \$2,337,539. See note 4 of the Interim Financial Statements for further details.

## Q3 2025 HIGHLIGHTS

- The Alberta Energy Regulator ("AER") has completed its review of the Directive 088 transfer application related to the well, facility, and pipeline licenses acquired as part of the South Ferrier, Strachan acquisition. Effective August 1, 2025, the AER transferred the Ferrier licenses to Fiddlehead. The Company completed the transition of operatorship of the assets on August 27, 2025; and
- On August 7, 2025, the Company entered into an unsecured advance loan agreement ("Term Loan") with a related party for an aggregate principal amount of up to \$1,500,000 that matures on September 30, 2025.

The table below summarizes selected highlights from the Company's financial and operating results:

(Expressed in \$000s, except per share, price and volumes amounts)

	Three months ended		Nine months ended	
	September 30 2025	2024 <sup>4</sup>	September 30 2025	2024 <sup>4</sup>
<b>OPERATING HIGHLIGHTS AND NETBACKS<sup>1</sup></b>				
Average production and sales volumes				
Light oil (bbls/d)	51	50	84	17
NGLs (bbls/d)	293	130	360	44
Natural gas (Mcf/d)	4,577	2,342	5,860	786
Total BOE/d	1,107	571	1,421	192
Average realized sales prices				
Light oil (\$/bbl)	82.93	82.85	85.81	82.85
NGLs (\$/bbl)	39.37	45.67	40.94	45.67
Natural gas (\$/Mcf)	0.59	0.37	1.53	0.37
Total oil equivalent (\$/BOE)	17.04	19.22	21.99	19.22
Netbacks (\$/BOE) <sup>1</sup>				
Petroleum and natural gas sales	17.04	19.22	21.99	19.22
Royalties	4.99	6.02	5.60	6.02
Operating expenses	10.54	11.38	11.77	11.38
Transportation expenses	0.10	0.11	0.09	0.11
Operating netback <sup>1</sup>	1.41	1.71	4.53	1.71
General and administrative expenses	14.36	19.52	9.47	25.88
Finance costs	9.61	5.10	7.21	5.10
Adjusted Funds Flow Netback <sup>1,2</sup>	(22.56)	(22.91)	(12.15)	(29.27)
<b>FINANCIAL HIGHLIGHTS</b>				
Petroleum and natural gas sales	1,701	1,009	8,451	1,009
Petroleum and natural gas sales, net of royalties	1,192	693	6,278	693
Net loss & comprehensive loss	(1,068)	(1,639)	(4,321)	(1,973)
Basic per share	(0.02)	(0.06)	(0.07)	(0.15)
Diluted per share	(0.02)	(0.06)	(0.07)	(0.15)
Cash flow used in operating activities	(898)	(902)	(1,062)	(1,224)
Funds flow from operations <sup>2</sup>	(1,111)	(1,063)	(2,232)	(1,376)
Basic per share	(0.02)	(0.04)	(0.03)	(0.10)
Diluted per share	(0.02)	(0.04)	(0.03)	(0.10)
Acquisitions	-	20,085	-	20,085
Total assets	29,502	27,263	29,502	27,263
Total non-current financial liabilities	11,614	16,169	11,614	16,169
Total long-term debt, including current portion	12,408	11,949	12,408	11,949
Shareholders' equity	2,388	7,825	2,388	7,825
Weighted average common shares outstanding (000s) – basic <sup>3</sup>	65,809	26,730	62,081	13,596
Weighted average common shares outstanding (000s) – diluted <sup>3</sup>	65,809	26,730	62,081	13,596
Common shares outstanding (000s), end of period	66,521	60,521	66,521	60,521

<sup>1</sup> "BOE" and Netbacks" are non-GAAP financial measure calculated per unit of production. "Operating Netback", and "Adjusted Funds Flow Netback" do not have standardized meanings under IFRS Accounting Standards. See "Non-GAAP Financial Measures" section

<sup>2</sup> "Funds Flow from Operations" ("FFO") does not have a standardized meanings under IFRS Accounting Standards. See "Non-GAAP Financial Measures".

<sup>3</sup> Common shares outstanding have been adjusted as a result of the Share Consolidation on July 31, 2024.

<sup>4</sup> The Q3-2024 information includes the results of the operations of the South Ferrier, Strachan assets from August 30, 2024 to September 30, 2024 (32 days). The South Ferrier, Strachan assets were acquired in a transaction that closed on August 29, 2024 (see note 4 of the Interim Financial Statements)

During the three and nine months ended September 30, 2025, the Company continued to operate under the Transition Services Agreement ("TSA") until the Company completed the transition of operatorship of the assets on August 27, 2025. The Company had production of 1,107 BOE/d and 1,421 BOE/d, respectively, over the periods and an Operating Netback of \$1.41 per BOE and \$4.53 per BOE, over the respective periods (2024 – 1,641 BOE/d with an Operating Netback of \$1.71 per BOE in 32 days of activity, following the closing of the Acquisition on August 29, 2024). In Q3-2025, a third party gas processing facility underwent a scheduled maintenance turnaround in the month of September resulting in the shut-in of associated wells and decrease in production and revenue. Production for Q3-2024 represents 32 days of activity, following the closing of the Acquisition on August 29, 2024.

**BUSINESS ENVIRONMENT**

The Company's financial results are influenced by fluctuations in commodity prices, including price differentials. The following table shows select market benchmark prices and foreign exchange rates:

Benchmark prices and exchange rates	2025			2024	
	Q3	Q2	Q1	Q4	Q3
Crude oil					
WTI (C\$/bbl) <sup>1</sup>	90.55	89.39	103.12	103.70	102.46
WTI (US\$/bbl) <sup>2</sup>	65.73	63.90	71.86	74.12	75.14
Edmonton light index (C\$/bbl) <sup>3</sup>	84.84	85.87	95.23	98.10	98.88
Natural gas					
AECO (C\$/MMBtu) <sup>4</sup>	0.63	1.72	2.15	1.44	0.74
US/Canadian Dollar average exchange rate <sup>5</sup>	0.73	0.71	0.70	0.71	0.73

<sup>1</sup> West Texas Intermediate ("WTI"). Source: GLJ Price Charts

<sup>2</sup> Calculated based on the C\$ WTI price multiplied by the average C\$/US\$ exchange rate for the period

<sup>3</sup> Source: GLJ Price Charts

<sup>4</sup> Alberta Energy Company ("AECO") Daily Index for natural gas. Source: GLJ Price Charts

<sup>5</sup> Source: Bank of Canada

Fiddlehead pays royalties to the Alberta provincial government and landowners in accordance with the established royalty regime. In Alberta, Crown royalty rates are based on reference commodity prices, production levels and well depths, and are offset by certain incentive programs in place to promote drilling activity by reducing overall royalty expense.

In Q3-2025, the average price of Edmonton light index oil was 1% lower than Q2-2025 and 14% lower than Q3-2024. In Q3-2025, the average price of AECO natural gas was 63% lower than Q2-2025 and 15% higher than Q3-2024. This decrease in average prices had a direct impact on the reduced revenues in Q3-2025 over Q2-2025.

**OPERATING RESULTS AND NETBACK****Daily Volumes before Royalties****Production & Sales Volumes**

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024 <sup>1</sup>	2025	2024 <sup>1</sup>
Light oil (bbls/d)	51	50	84	17
NGLs (bbls/d)	293	130	360	44
Natural gas (Mcf/d)	4,577	2,342	5,860	786
<b>Total Company (BOE/d)</b>	<b>1,107</b>	<b>571</b>	<b>1,421</b>	<b>192</b>

<sup>1</sup> The production information presented in the table above represents 32 days of activity, following the closing of the Acquisition on August 29, 2024.

In Q3-2025, a third party gas processing facility underwent a scheduled maintenance turnaround in the month of September resulting in the shut-in of associated wells for 29 days in the quarter and decrease in production and revenue. Production for Q3-2024 represents 32 days of activity, following the closing of the Acquisition on August 29, 2024.

**Netback**

	Three Months Ended September 30			
	2025		2024 <sup>2</sup>	
	\$	\$/BOE	\$	\$/BOE
Light oil sales	392,069	82.93	380,976	82.85
NGL sales	1,061,905	39.37	547,876	45.67
Natural gas sales	246,711	3.52	80,394	2.24
Processing and other revenue	35,600	0.35	-	-
Total oil and gas sales	1,736,285	17.04	1,009,231	19.22
Royalties	508,743	4.99	316,183	6.02
Operating expenses	1,073,522	10.54	597,757	11.38
Transportation expenses	10,204	0.10	5,563	0.11
<b>Netback<sup>1</sup></b>	<b>143,816</b>	<b>1.41</b>	<b>89,728</b>	<b>1.71</b>

<sup>1</sup> "Netback" is a non-GAAP financial measure calculated per unit of production and does not have a standardized meaning under IFRS Accounting Standards. See " Non-GAAP Financial Measures " section

<sup>2</sup> The financial information presented in the tables above for 2024 represents 32 days of activity, following the closing of the Acquisition on August 29, 2024 to September 30, 2024.

	Nine Months Ended September 30			
	2025		2024 <sup>2</sup>	
	\$	\$/BOE	\$	\$/BOE
Light oil sales	1,974,517	85.81	380,976	82.85
NGL sales	4,028,785	40.94	547,876	45.67
Natural gas sales	2,447,660	9.18	80,394	2.24
Processing and other revenue	82,938	0.21	-	-
<b>Total oil and gas sales</b>	<b>8,533,900</b>	<b>21.99</b>	<b>1,009,231</b>	<b>19.22</b>
Royalties	2,172,875	5.60	316,183	6.02
Operating expenses	4,567,727	11.77	597,757	11.38
Transportation expenses	36,171	0.09	5,563	0.11
<b>Netback<sup>1</sup></b>	<b>1,757,127</b>	<b>4.53</b>	<b>89,728</b>	<b>1.71</b>

1 "Netback" is a non-GAAP financial measure calculated per unit of production and does not have a standardized meaning under IFRS Accounting Standards. See " Non-GAAP Financial Measures " section

2 The financial information presented in the tables above for 2024 represents 32 days of activity, following the closing of the Acquisition on August 29, 2024 to September 30, 2024.

### GENERAL AND ADMINISTRATIVE EXPENSES ("G&A")

	Three Months Ended September 30			
	2025		2024	
	\$	\$/BOE	\$	\$/BOE
Gross G&A	1,463,173	14.36	1,013,793	19.31
Stock-based compensation	-	-	11,232	0.21
<b>Net G&amp;A</b>	<b>1,463,173</b>	<b>14.36</b>	<b>1,025,025</b>	<b>19.52</b>

	Nine Months Ended September 30			
	2025		2024	
	\$	\$/BOE	\$	\$/BOE
Gross G&A	3,674,834	9.47	1,326,244	25.26
Stock-based compensation	-	-	32,418	0.62
<b>Net G&amp;A</b>	<b>3,674,834</b>	<b>9.47</b>	<b>1,358,662</b>	<b>25.88</b>

G&A expenses increased from prior periods due to \$600,000 for relating to issued 5,000,000 Common Shares valued at \$0.12 per Common Share of the Company as a non-refundable deposit as part of the original consideration to extend the closing date of the previously announced Cynthia Transaction on July 22, 2025. In addition, increase in G&A for the nine months ended September 30, 2025 is \$200,000 included in G&A relating to the issuance 1,000,000 Common Shares valued at \$0.20 per Common Share as a refinancing fee to its lender in Q2-2025, along with additional staff and administrative costs following the Company closing the Acquisition on August 29, 2024.

### FINANCE COSTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on long-term debt	392,052	139,260	1,114,602	139,260
Accretion of decommissioning liabilities	220,816	33,956	646,921	33,956
Amortization of deferred debt issuance costs	359,415	94,460	1,023,740	94,460
Financing costs of lease liabilities	6,686	-	12,196	-
<b>Finance costs</b>	<b>978,969</b>	<b>267,676</b>	<b>2,797,459</b>	<b>267,676</b>
<b>Interest paid</b>	<b>377,368</b>	<b>139,260</b>	<b>1,107,794</b>	<b>139,260</b>

Finance costs for the three and nine months ended September 30, 2025, were \$1.0 million and \$2.8 million, respectively. Finance costs for the same periods in 2024 were \$0.3 million as the Company entered into the Credit Facility on August 27, 2024. Interest expense and amortization of deferred debt issuance costs in the periods represents expenses related to the Credit Facility following the closing of the Acquisition on August 29, 2024.

**DEPLETION, DEPRECIATION AND IMPAIRMENT**

	Three Months Ended September 30			
	2025		2024	
	\$	\$/BOE	\$	\$/BOE
PNG assets <sup>1</sup>	1,058,487	10.39	435,961	8.30
Right-of-use assets	42,531	0.41	-	-
Other assets	6,092	0.06	63	0.00
<b>Total</b>	<b>1,107,110</b>	<b>10.87</b>	<b>436,024</b>	<b>8.30</b>

<sup>1</sup> Petroleum and natural gas ("PNG")

	Nine Months Ended September 30			
	2025		2024	
	\$	\$/BOE	\$	\$/BOE
PNG assets <sup>1</sup>	3,969,472	10.23	435,961	8.30
Right-of-use assets	127,594	0.33	-	-
Other assets	20,880	0.05	63	0.00
<b>Total</b>	<b>4,117,946</b>	<b>10.61</b>	<b>436,024</b>	<b>8.30</b>

For the three and nine months ended September 30, 2025, the Company recorded depletion of \$1.1 million and \$4.1 million, respectively. Depletion costs for the same periods in 2024 was \$0.4 million, following the closing of the Acquisition on August 29, 2024.

**CAPITAL EXPENDITURES**

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Acquisitions	-	20,085,634	-	20,085,634
Other assets	-	-	9,452	-
<b>Capital expenditures</b>	<b>-</b>	<b>20,085,634</b>	<b>9,452</b>	<b>20,085,634</b>

For the three and nine months ended September 30, 2025, the Company spent nil and \$9,452, respectively, on capital expenditures. In the period, the capital expenditures in other assets related to computer hardware and furniture. The Company incurred \$20.1 million for capital expenditures relating to the Acquisition on August 29, 2024 for the three and nine months ended September 30, 2024.

**LIQUIDITY AND CAPITAL RESOURCES**

Liquidity describes a company's ability to access cash. Companies operating in the upstream oil and gas industry require sufficient cash in order to fund capital programs that maintain and increase production and reserves, to acquire strategic oil and gas assets, to repay current liabilities and debt and ultimately to provide a return to shareholders.

Fluctuations in commodity prices, product demand, foreign exchange rates, interest rates and various other risks may impact capital resources and capital expenditures.

All of the Company's cash and cash equivalents are on deposit with a high credit-quality financial institution.

The Company actively monitors its liquidity to ensure that cash flows, credit facilities and working capital are adequate to support its financial liabilities, as well as the Company's capital programs.

As at September 30, 2025, the Company considers its capital structure to include shareholders' equity, bank debt and working capital. The Company uses "Net Debt (Surplus)"<sup>1</sup> as a capital management measure which is calculated by the Company as bank debt, net of Adjusted Working Capital. Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. "Adjusted Working Capital" is calculated by the Company as current liabilities less current assets and the current portion of bank debt.

The significant components of the Company's capital structure and Net Debt (Surplus) are summarized below:

<b>(Assets) Liabilities</b>	<b>September 30, 2025</b>	December 31, 2024
Cash	<b>(116,915)</b>	(699,989)
Accounts receivable	<b>(1,010,872)</b>	(914,558)
Prepaid expenses and deposits	<b>(209,103)</b>	(97,818)
Accounts payable and accrued liabilities	<b>1,920,374</b>	612,746
Contingent consideration payable	-	-
Deferred consideration payable	-	1,250,000
Current portion of lease liabilities	<b>171,130</b>	108,406
Adjusted Working Capital <sup>1</sup>	<b>754,614</b>	258,787
Bank Debt, excluding deferred debt issuance costs	<b>12,637,864</b>	13,000,000
Term loan	<b>1,000,000</b>	-
<b>Net Debt (Surplus)<sup>1</sup></b>	<b>14,392,478</b>	13,258,787
<b>Total shareholders' equity</b>	<b>2,388,102</b>	5,908,839

<sup>1</sup> Refer to "Non-GAAP Financial Measures" section of this MD&A.

### CREDIT FACILITY

On August 27, 2024, the Company entered into a secured credit facility ("Original Credit Facility") with a private lender. The authorized borrowing base available under the Original Credit Facility is \$13.0 million and is secured by the Assets purchased in the South Ferrier, Strachan area (see note 4). On June 26, 2025, the Credit Facility agreement was amended ("Amended Credit Facility") to refinance the current outstanding debt of \$12.6 million, previously set to mature November 30, 2025, to a term of eighteen months, with monthly interest payments and no fixed required amortization or principal repayment until maturity. In conjunction with the refinancing, the Company has paid a refinancing fee to its lender on July 22, 2025, totaling \$200,000 from the issuance of one million shares to the lender valued at \$0.20 per Common Share.

As at September 30, 2025, Fiddlehead has drawn \$12.6 million and is to repay the full principal balance on maturity at December 31, 2026.

Under the Original Credit Facility, the Company was to make principal repayments of \$750,000 every quarter, until the initial term date of November 30, 2025. The Company was not to exceed an outstanding principal amount drawn against the Original Credit Facility in excess of 50% of the Proved Developed Producing ("PDP") reserves value at a 10% discount based on the year end reserve report. In the event the price of WTI fell below US\$70 on average for any 30-day period, the Company was required to make principal repayments in the amount of \$250,000 on the last business day of each of the 6 calendar months following such 30-day period. In the event the price of WTI fell below US\$60 on average for any 30-day period, the Company was required to make principal repayments in the amount of \$1,000,000 on the last business day of each of the 6 calendar months following such 30-day period. In conjunction with the amendment to refinance the current outstanding debt, the aforementioned covenants are no longer applicable and there are now no financial covenants relating to the amended agreement.

The Original Credit Facility agreement contained an embedded derivative as a result of the accelerated principal repayments based on the WTI price and the Company's credit spread. Fiddlehead had defined the host contract as the Credit Agreement with the Lender. Fiddlehead's embedded derivative contract was classified as Level 2 within the fair value hierarchy, as the fair value had been determined using observable inputs other than quoted prices. The net liability fair value of this embedded derivative contract was determined to be \$nil million as at September 30, 2025 (December 31, 2024 - \$0.1 million) as there is no embedded derivative in the Amended Credit Facility. During the three and nine months ended September 30, 2025, the Company expensed \$0.1M and \$0.2M through the Statement of Loss and Comprehensive Loss, respectively, relating to the embedded derivative in the Amended Credit Facility.

From July 1, 2025 to November 30, 2025, the Amended Credit Facility bears interest at a rate of 12% per annum. From December 1, 2025 to April 30, 2026, the Amended Credit Facility bears interest at a rate of 15% per annum. From May 1 to December 31, 2026, the Amended Credit Facility bears interest at a rate of 18% per annum. Interest is payable on the last business day of each month.

On June 26, 2025, the fair value of the debt was determined, under applicable accounting requirements, to be approximately \$12.1 million, resulting in a fair value adjustment of \$0.4 million. It is possible that a settlement or transfer amount of the Company's debt could be significantly different from the disclosed fair value required under IFRS Accounting Standards due to the long term nature and timing of principal payments of the Credit Facility.

Based on the Company's current forecast of future production and prices the estimated future debt payments on long-term debt as of September 30, 2025 are as follows:

<b>Year</b>	<b>Credit Facility</b>
2025	12,637,864

As at September 30, 2025, the Company was in default of the Amended Credit Facility agreement (see note 11 Long-Term Debt) for failure to make the required interest payment for the month of September 2025. The amount due as a result of the default is \$124,647. On October 29, 2025, the Company paid full amount owed relating to the interest for the month of September 2025 and is current on all Credit Facility interest payments as at the date of issuance of the Interim Financial Statements (see note 1 of the Interim Financial Statements – Going Concern for further disclosures).

**TERM LOAN**

On August 7, 2025, the Company entered into an unsecured advance loan agreement ("Term Loan") with a related party for an aggregate principal amount of up to \$1,500,000. The Term Loan agreement is made available in three tranches of \$500,000. The first tranche was advanced on August 8, 2025 net of a commitment fee of \$30,000 for net advance of \$470,000. The second tranche was advanced on August 29, 2025. The Term Loan agreement bears an interest rate of 8% per annum payable on maturity date of September 30, 2025. As at September 30, 2025, the Term Loan balance of \$1,000,000 remains drawn and accrued interest of \$9,534. The Company no longer has access to the third tranche due to the expiry of the agreement on September 30, 2025. As at November 26, 2025, the balance of the Term Loan is outstanding and is in default under the unsecured advance loan agreement. There has been no steps to enforce the terms of default as at November 26, 2025 and the Company does not anticipate that there will be an immediate demand for repayment.

**SHARE CAPITAL**

The Company is authorized to issue an unlimited number of common shares without par value.

On July 31, 2024, the Company completed a share consolidation of one post-consolidation Common Share for every two pre-consolidation Common Shares outstanding (the "Share Consolidation"). Prior to completing the Consolidation, the Company had 13,841,757 Common Shares outstanding and following the completion of the Consolidation, the Company had approximately 6,920,881 Common Shares outstanding.

On August 23, 2024, Fiddlehead completed the two brokered financings in a Private Placement for a total of 53.6 million subscription receipts at a price of \$0.20 per subscription receipt for aggregate gross proceeds of \$10.2 million. The net proceeds of the subscription receipts were used to fund the purchase price of the South Ferrier, Strachan Acquisition (see note 4), and the remaining amounts for general corporate and working capital purposes. The subscription receipts were each exchanged for one unit of Fiddlehead ("Fiddlehead Unit").

Each Fiddlehead Unit consists of one Fiddlehead Common Share and one Common Share Purchase Warrant of the Company ("Fiddlehead Warrant"). Each Fiddlehead Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.24 per Common Share at any time up to 60 months. During the period ended September 30, 2025, no Fiddlehead Warrants were exercised and no Fiddlehead Warrants were forfeited or expired.

The Fiddlehead Shares and Fiddlehead Warrants commenced trading on the TSXV on September 10, 2024.

Common shares of Fiddlehead are listed on the TSXV and trade under the symbol "FHR". The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the three months ended September 30, 2025 was \$0.12 per share. The VWAP for the comparative three months ended September 30, 2024 was \$0.15 per Common Share in 15 days of trading as Fiddlehead Common Shares began trading on September 10, 2024.

In connection with the amendment of the Credit Facility announced on June 26, 2025, the Company has issued 1,000,000 Common Shares valued at \$0.20 per Common Share as a refinancing fee to its lender on July 22, 2025.

In connection with the acquisition of a private producer in the Cynthia area of Alberta, the Company has issued 5,000,000 Common Shares valued at \$0.12 per Common Share of the Company as a non-refundable deposit as part of the original consideration to extend the closing date of the Cynthia Transaction

As at September 30, 2025 and November 26, 2025, the Company had 66,520,881 Common Shares issued and outstanding. As at September 30, 2025 and November 26, 2025, the Company 53,600,000 warrants issued and outstanding.

On October 17, 2024, the Company granted, subject to regulatory approval, a total of 4,200,000 stock options (the "Options") to certain directors, officers, employees and consultants of the Company under Fiddlehead's omnibus incentive plan. Options were issued with an exercise price of \$0.20 per share and an expiry date of October 3, 2034.

As at September 30, 2025 and November 26, 2025, the Company had 4,450,000 stock options issued and outstanding, of which 4,450,000 are exercisable at the respective date in accordance with their terms into an equal number of common shares of the Company.

The total number of outstanding securities of the Company is provided below:

<i>Number of securities outstanding</i>	<b>November 26, 2025</b>	<b>September 30, 2025</b>	December 31, 2024
Common shares <sup>1</sup>	<b>66,520,881</b>	<b>66,520,881</b>	60,520,881
Warrants	<b>53,600,000</b>	<b>53,600,000</b>	53,600,000
Stock options <sup>1</sup>	<b>4,450,000</b>	<b>4,450,000</b>	4,792,500
<b>Total securities outstanding</b>	<b>124,570,881</b>	<b>124,570,881</b>	118,913,381

<sup>1</sup> Common shares and stock options outstanding have been adjusted as a result of the Share Consolidation on July 31, 2024.

The table below summarizes the weighted average number of Common Shares outstanding used in the calculation of diluted Net Loss per Share and diluted Funds Flow from Operations per share:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average shares outstanding, basic <sup>1</sup>	65,890,151	26,729,577	62,081,321	13,596,339
Dilutive effect of outstanding securities <sup>1</sup>	-	-	-	-
Weighted average shares outstanding, diluted	65,890,151	26,729,577	62,081,321	13,596,339

<sup>1</sup> Common shares and stock options outstanding have been adjusted as a result of the Share Consolidation on July 31, 2024.

## COMMITMENTS AND CONTINGENCIES

As part of its normal business, the Company enters into arrangements and incurs obligations that will impact the Company's future operations and liquidity. The Company's financial liabilities and undiscounted liabilities are discussed further in the Liquidity Risk section below.

In the normal course of its operations, the Company may be subject to litigation and claims. Although it is not possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

The Company is not aware of any material provisions or other contingent liabilities as at September 30, 2025.

## OFF-BALANCE SHEET ARRANGEMENTS

Except for the commitments and contingencies disclosed herein, the Company does not believe it has any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future impact of the Company's financial condition, results of operations, liquidity or capital expenditures.

## RELATED PARTY DISCLOSURES

The Company's key management includes directors (executive and non-executive), the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The remuneration of key management of the Company for the three and nine months ended September 30, 2025 and 2024 was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Salary & benefits (included in general and administrative expenses)	188,000	33,542	593,944	33,542
Consulting fees (included in general and administrative expenses)	7,800	60,000	13,800	201,800
Share-based compensation	-	11,232	-	21,186
<b>Total related party transactions</b>	<b>195,800</b>	<b>104,774</b>	<b>607,744</b>	<b>256,528</b>

As at September 30, 2025, included in accounts payable and accrued liabilities is \$248,104 for amounts paid by the Company's key management on behalf of the Company on interest free terms.

On August 7, 2025, the Company entered into an unsecured advance loan agreement with a related party for an aggregate principal amount of up to \$1,500,000, of which \$1,000,000 was drawn as at September 30, 2025 and accrued interest of \$9,534. See Term Loan note.

## SUBSEQUENT EVENTS

As at September 30, 2025, the Company was in default of the Credit Facility agreement (see note 11 Long-Term Debt) for failure to make the required interest payment for the month of September 2025 of \$124,647. On October 29, 2025, the Company paid the full amount owed relating to the interest for the month of September 2025 and is current on all Credit Facility interest payments as at November 26, 2025.

On October 17, 2025, the Company completed the sale of excess equipment to a third party purchaser for proceeds of \$750,000. Proceeds were received by the Company on October 28, 2025.

On October 30, 2025, the Company entered into a 1-year natural gas supply agreement, commencing on November 1, 2025, under which the Company will deliver 1,500 GJ/d and receive a price of \$2.86/GJ, less associated deductions.

## MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are described in note 3 of the 2024 Annual Financial Statements. The Interim Financial Statements at September 30, 2025, have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2024.

### Future Accounting Pronouncements

On April 9, 2024, the International Accounting Standards Board issued a new standard IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which will replace IAS 1. While many of the existing principles of IAS 1 are retained with limited changes, IFRS 18 introduces changes to the presentation of, and disclosure requirements related to, the Statement of Net Income (Loss). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Fiddlehead is currently assessing the impact of adopting of IFRS 18, which will be adopted on its effective date.

In May 2024, the International Accounting Standards Board issued amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments relating to settling financial liabilities using electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026 and Fiddlehead is assessing the full impact of this amendment.

### CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Timely preparation of financial statements in conformity with IFRS as issued by the International Accounting Standards Board requires that management make estimates and assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the Financial Statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur. A detailed description of the Company's critical judgements and accounting estimates is provided in note 4 of the 2024 Annual Financial Statements.

### RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing crude oil and natural gas reserves is inherently risky. The Company is subject to both risks that directly affect Fiddlehead's business and operations, as well as indirect risks that impact third parties or industry generally. The following information is a summary only of certain risk factors relating to the Company. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company's business and the oil and natural gas business generally.

#### Market Risks

Market risk is the risk or uncertainty arising from possible market price movements and the associated impact on future performance of the business. The market price movements that the Company is exposed to include commodity prices, foreign currency exchange rates and interest rates, all of which could adversely affect the value of the Company's financial assets, liabilities and financial results.

##### *Commodity price risk*

Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar. The Company entered into a 1-year natural gas supply agreement on October 30, 2025, commencing on November 1, 2025. See Subsequent Events note.

##### *Foreign currency exchange risk*

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. Fiddlehead is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. The Company does not currently have any foreign exchange risk management contracts in place.

##### *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on any debt drawn which bears floating rates of interest. Under the Credit Facility (note 11), interest rate for the three months ended September 30, 2025 is 12%. Beginning December 1, 2025 the interest rate for the Credit Facility increases to 15%. The Company is also exposed to interest rate risk on its cash. As at September 30, 2025, the effect of interest rates increasing by 3% would increase the Company's net loss by \$406,000 per annum. The Company does not currently have any interest rate risk management contracts in place.

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity describes a company's ability to access cash. Companies operating in the upstream oil and gas industry require sufficient cash in order to fund capital programs necessary to maintain and increase production and proved reserves, to acquire strategic oil and gas assets and to repay liabilities.

The Company actively monitors its liquidity to ensure that its cash flows, credit facilities and working capital are adequate to support these financial liabilities, as well as the Company's capital programs. The Interim Financial Statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business as they become due. For the three and nine months ended September 30, 2025, the Company reported a net loss and comprehensive loss of \$1.1 million and \$4.3 million, respectively, and net cash used in operating activities of \$0.9 million and \$1.1 million, respectively. As at September 30, 2025, the Company had a cash balance of \$0.1 million, a cumulative deficit of \$73.5 million and a working capital deficit of \$14.2 million.

On June 26, 2025, the Credit Facility was amended to refinance the outstanding debt of \$12.6 million, originally scheduled to mature on November 30, 2025. The amendment extended the term to eighteen months, with monthly interest payments and no mandatory amortization or principal repayment. Under the amended terms, interest accrues at 12% per annum from July 1, 2025 to November 30, 2025; 15% per annum from December 1, 2025 to April 30, 2026; and 18% per annum from May 1, 2026 to December 31, 2026. Interest is payable on the last business day of each month, and the full principal balance is due on or before December 31, 2026.

As of September 30, 2025, the Company was in default under the Credit Facility agreement (see Note 11 – Long-Term Debt) for failing to make the required September interest payment of \$124,647. Consequently, the amount due was classified as a current liability at period-end. On October 29, 2025, the Company paid the outstanding September interest in full and is current on all Credit Facility interest payments as at November 26, 2025.

On August 7, 2025, the Company entered into an unsecured advance loan agreement ("Term Loan") with a related party for an aggregate principal amount of up to \$1,500,000. The Term Loan agreement is made available in three tranches of \$500,000. The first tranche was advanced on August 8, 2025 net of a commitment fee of \$30,000 for net advance of \$470,000. The second tranche was advanced on August 29, 2025. The Term Loan agreement bears an interest rate of 8% per annum payable on maturity date of September 30, 2025. As at September 30, 2025, the Term Loan balance of \$1,000,000 remains drawn and accrued interest of \$9,534. The Company no longer has access to the third tranche due to the expiry of the agreement on September 30, 2025. As at November 26, 2025, the balance of the Term Loan is outstanding and is in default under the unsecured advance loan agreement. There has been no steps to enforce the terms of default as at November 26, 2025 and the Company does not anticipate that there will be an immediate demand for repayment.

On October 17, 2025, the Company completed the sale of excess equipment to a third-party purchaser for proceeds of \$750,000. Proceeds were received by the Company on October 28, 2025 and are intended for use in managing the Company's working capital.

On October 30, 2025, the Company entered a 1-year natural gas supply agreement, commencing on November 1, 2025, under which the Company will deliver 1,500 GJ/d and receive a price of \$2.86/GJ, less associated deductions. This contract enables the Company to ensure a portion of its revenue and cash flow for 12 months.

As of November 26, 2025, the Company holds a cash balance of \$0.4M. Given the rising interest obligations on the Credit Facility and the outstanding current liabilities, the Company must successfully refinance its existing Credit Facility or secure additional debt or equity financing to continue as a going concern. Assuming the Company is able to meet the conditions, it is expected that a new debt facility and the raising of new equity will be sufficient to satisfy the obligations with its current lender as described above and meet other obligations as they become due. However, while management is actively working to satisfy the conditions, there can be no assurance that these efforts will be successful.

These considerations include material uncertainties which cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Interim Financial Statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. See note 1 of the Interim Financial Statements for Going Concern note.

The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at September 30, 2025:

	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	1,920,374	-	-	-	1,920,374
Expected interest on term loan	29,699	-	-	-	29,699
Term loan	1,000,000	-	-	-	1,000,000
Expected interest on long-term debt	2,011,407	573,378	-	-	2,584,785
Long-term debt principal (note 11)	12,637,864	-	-	-	12,637,864
Undiscounted lease obligations (note 10)	175,149	306,221	90,134	-	571,504
<b>Total</b>	<b>17,774,493</b>	<b>879,599</b>	<b>90,134</b>	<b>-</b>	<b>18,744,226</b>

### Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to fulfill their contractual obligations. The Company's exposure to credit risk primarily relates to accounts receivable, the majority of which are in respect of oil and natural gas operations. The Company generally extends unsecured credit to these parties and therefore the collection of these amounts may be affected by changes in economic or other conditions. The Company has not experienced any material credit losses in its cash investments or in the collection of accounts receivable to date.

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to the Vendor of the Acquisition and are subject to normal industry credit risks. The Company has continued to closely monitor and reassess the creditworthiness of its counterparties, including financial institutions.

Trade and other receivables are analyzed in the table below.

	As at September 30, 2025	As at December 31, 2024
Within 30 days	318,346	452,451
31-60 days	65,189	292,340
61-90 days	2,905	86,226
Over 90 days	624,432	83,541
<b>Accounts receivable</b>	<b>1,010,872</b>	<b>914,558</b>

Management has reviewed past due accounts receivable balances as at September 30, 2025 and expects the accounts to be collectible. The expected credit losses provision recognized in the Company's accounts receivable at September 30, 2025 was nominal (September 30, 2024 – nominal).

### SELECTED QUARTERLY FINANCIAL INFORMATION

(Expressed in \$000s, except per share, price and volumes amounts)

	2025			2024			2023	
	Q-3	Q-2	Q-1	Q-4	Q-3 <sup>2</sup>	Q-2	Q-1	Q-4
Operations								
Average production and sales volumes								
Light oil (bbls/d)	51	84	119	134	50	-	-	-
NGLs (bbls/d)	293	396	394	378	130	-	-	-
Natural gas (Mcf/d)	4,577	6,281	6,746	6,675	2,432	-	-	-
Total (BOE/d)	1,107	1,526	1,636	1,624	571	-	-	-
Average realized sales prices								
Light oil (\$/bbl)	82.93	79.22	91.79	91.72	82.85	-	-	-
NGLs (\$/bbl)	39.37	33.87	49.32	55.39	45.67	-	-	-
Natural gas (\$/Mcf)	0.59	1.66	2.06	1.28	0.37	-	-	-
Total oil equivalent (\$/BOE)	17.04	20.17	27.13	25.86	19.22	-	-	-
Liquids and natural gas sales	1,701	2,774	3,976	3,844	1,009	-	-	-
Liquids and natural gas sales, net of royalties	1,192	2,090	2,996	2,846	693	-	-	-
Net loss & comprehensive loss	(1,067)	(756)	(2,497)	(2,295)	(1,639)	(196)	(138)	(189)
Basic per share <sup>3</sup>	(0.02)	(0.01)	(0.04)	(0.04)	(0.06)	(0.03)	(0.02)	(0.03)
Diluted per share <sup>3</sup>	(0.02)	(0.01)	(0.04)	(0.04)	(0.06)	(0.03)	(0.02)	(0.03)
Cash flow used in operating activities	(898)	(20)	(145)	(812)	(902)	(176)	(146)	(162)
Funds Flow From Operations <sup>1</sup>	(1,111)	(926)	(195)	(74)	(1,063)	(185)	(127)	(178)
Basic per share <sup>3</sup>	(0.02)	(0.02)	(0.00)	(0.00)	(0.04)	(0.03)	(0.02)	(0.03)
Diluted per share <sup>3</sup>	(0.02)	(0.02)	(0.00)	(0.00)	(0.04)	(0.03)	(0.02)	(0.03)
Acquisitions	-	-	-	-	20,085	-	-	-
Total assets	29,502	27,725	30,054	31,714	27,263	94	246	389
Total non-current financial liabilities	11,614	11,427	11,482	11,666	16,169	-	-	-
Total long-term debt, including current portion	12,408	12,048	12,120	12,168	11,949	-	-	-
Shareholders' equity	2,388	2,856	3,412	5,909	7,825	44	229	356
Weighted average common shares outstanding (000s) – basic <sup>3</sup>	65,809	60,521	60,521	60,521	26,730	5,226	5,276	5,276
Weighted average common shares outstanding (000s) – diluted <sup>3</sup>	65,809	60,521	60,521	60,521	26,730	5,226	5,276	5,276
Common shares outstanding (000s), end of period <sup>3</sup>	66,521	60,521	60,521	60,521	60,521	6,921	6,921	6,921

<sup>1</sup> "Funds Flow from Operations" ("FFO") does not have a standardized meaning under IFRS Accounting Standards. See "Non-GAAP Financial Measures".

<sup>2</sup> The Q3-2024 information includes the results of the operations of the South Ferrier, Strachan assets from August 30, 2024 to September 30, 2024 (32 days). The South Ferrier, Strachan assets were acquired in a transaction that closed on August 29, 2024.

<sup>3</sup> Common shares outstanding have been adjusted as a result of the Share Consolidation on July 31, 2024.

In the third quarter of 2025, the Company had production of 1,107 BOE/d and an Operating Netback of \$1.41 per BOE. The Company incurred \$1.0 million of financing costs, \$0.4 million relating to interest on long-term debt.

In the second quarter of 2025, the Company had production of 1,526 BOE/d and an Operating Netback of \$2.35 per BOE. The Company incurred \$0.9 million of financing costs, \$0.4 million relating to interest on long-term debt.

In the first quarter of 2025, the Company had production of 1,636 BOE/d and an Operating Netback of \$8.74 per BOE. The Company incurred \$0.9 million of financing costs, \$0.4 million relating to interest on long-term debt.

In the fourth quarter of 2024, the Company had production of 1,624 BOE/d and an Operating Netback of \$7.84 per BOE. The Company incurred \$0.8 million of financing costs, \$0.4 million relating to interest on long-term debt. In addition, the Company issued 4,200,000 stock options resulting in \$0.4 million in share-based compensation expense.

In the third quarter of 2024, the Company completed the Acquisition of the South Ferrier, Strachan area assets in Alberta from a senior Canadian producer. In addition, the Company closed the Private Placement of subscription receipts at a price of \$0.20 per subscription receipt for aggregate gross proceeds of \$10.2 million and a secured credit facility with a private lender for \$13.0 million. The total consideration of the Acquisition was \$20.8 million after adjustments. At closing, \$18.8 million was funded by the Financings. The net proceeds of the Private Placement were used to fund \$5.8 million of the Purchase Price, and the remaining amounts for general corporate and working capital purposes. The Company had production of 571 BOE/d during the 92 day period of Q3-2024 (1,641 BOE/d over 32 days of activity from August 30, 2024 to September 30, 2024) and an Operating Netback of \$1.71 per BOE.

In the first and second quarter of 2024, the Company incurred \$0.1 million and \$0.2 million in consulting & professional fees, respectively, related to the consultation and evaluation of potential acquisition targets.

In the fourth quarter of 2023, the Company incurred \$0.1 million in consulting & professional fees related to the consultation and evaluation of potential acquisition targets.

## NON-GAAP FINANCIAL MEASURES

### Funds Flow from Operations

This document contains the term "Funds Flow from Operations", which should not be considered an alternative to or more meaningful than "cash flow from operating activities" as determined in accordance with IFRS. Funds Flow from Operations is a measure that represents cash generated from operating activities before changes in non-cash working capital. Management considers this a key measure as it demonstrates Fiddlehead's ability to generate the cash flows necessary to fund future growth through capital investment. Funds Flow from Operations does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures used by other companies.

### Reconciliation of Funds Flow from Operations

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Cash flow used in operating activities	897,755	(901,960)	1,062,058	(1,223,882)
Changes in non-cash working capital	(213,653)	(161,366)	(1,170,250)	(151,895)
<b>Funds flow from operations</b>	<b>(1,111,408)</b>	<b>(1,063,325)</b>	<b>(2,232,308)</b>	<b>(1,375,777)</b>
Weighted average common shares outstanding (000s) – basic <sup>1</sup>	65,809,151	26,729,577	62,081,321	13,596,339
Weighted average common shares outstanding (000s) – diluted <sup>1</sup>	65,809,151	26,729,577	62,081,321	13,596,339
<b>FFO per share</b>				
Basic (\$ per common share)	(0.02)	(0.04)	(0.04)	(0.10)
Diluted (\$ per common share)	(0.02)	(0.04)	(0.04)	(0.10)

<sup>1</sup> Common shares outstanding have been adjusted as a result of the Share Consolidation on July 31, 2024..

### Netback, Operating Netback, and Adjusted Funds Flow Netback

The Company's Operating Netback is a measure of operating results and is computed as sales net of royalties (all government interests, net of income taxes), production and operating expenses, current taxes and transportation expenses. The Company's Adjusted Funds Flow Netback is computed as Operating Netback net of general and administrative expenses and finance costs. Management believes that Netback is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses. Netback does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures used by other companies.

### Net Debt (Surplus) and Adjusted Working Capital

Throughout this MD&A, references to "Net Debt" or "Net Surplus" includes bank debt, net of Adjusted Working Capital. Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. "Adjusted Working Capital" is calculated as current liabilities less current assets, and the current portion of long-term debt. As at September 30, 2025, the Adjusted Working Capital deficit includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities, and the current portion of lease liabilities and decommissioning obligations. A summary of the significant components of Adjusted Working Capital and Net Debt (Surplus) are provided under the heading "Capital Resources and Liquidity".

A reconciliation to working capital determined in accordance with IFRS is also provided below:

	September 30, 2025	December 31, 2024
Current liabilities	15,499,254	14,139,169
Current Assets	(1,336,890)	(1,712,365)
Working capital deficit (surplus)	14,162,364	12,426,804
Adjusted for current portion of:		
Long-term debt	(12,407,750)	(12,168,017)
Term loan	(1,000,000)	-
Adjusted Working Capital deficit (surplus)	754,614	258,787
Long Term Debt, excluding debt issuance costs	13,637,864	13,000,000
<b>Net Debt (Surplus)</b>	<b>14,392,478</b>	<b>13,258,787</b>

### Capital Expenditures

Fiddlehead uses capital expenditures before acquisitions and disposals ("Capital Expenditures before A&D") to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic drilling program, excluding acquisitions or dispositions. "Capital Expenditures" is calculated by adding cash acquisition costs, net of proceeds from dispositions to Capital Expenditures before A&D. The directly comparable GAAP measure is cash used in investing activities.

The following table details the composition of capital expenditures and its reconciliation to cash used in investing activities:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Other assets	-	-	(9,452)	-
<b>Capital expenditures before A&amp;D</b>				
Acquisitions	-	(20,085,634)	-	(20,085,634)
Dispositions	-	-	-	-
<b>Capital expenditures</b>	-	(20,085,634)	(9,452)	(20,085,634)
Changes in non-cash working capital	-	1,250,000	-	1,250,000
<b>Cash used in investing activities</b>	-	(18,835,634)	(9,452)	(18,835,634)

### Supplementary Financial Measures

NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this MD&A are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

### BOE PRESENTATION AND OTHER MEASUREMENTS

BOE means barrel of oil equivalent. All BOE conversions in this MD&A are derived by converting gas to oil at the ratio of nine thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl : 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

Throughout this MD&A, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. References to "natural gas liquids" or "NGLs" throughout this MD&A comprise pentane, butane, propane and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed by Fiddlehead due to the significant difference in value per barrel. References to "liquids" and "petroleum" includes crude oil, condensate and NGLs. References to "gas" relates to natural gas.

#### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary in the determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the Interim Financial Statements.

#### **DIRECTORS AND EXECUTIVE OFFICERS**

As of the date of this report the Company had the following directors and executive officers:

Brent Osmond	President, Chief Executive Officer, & Chairman of the Board
Ron Hornseth	Chief Operating Officer
Stephanie Bunch	Director
Dale Miller	Director
David Ritter	Director
C. Neil Smith	Director
Gregory Turnbull	Director

**ADVISORIES AND FORWARD LOOKING STATEMENTS**

*Certain statements or information contained herein may constitute forward-looking statements or information under applicable securities laws, including, but not limited to, management's assessment of future plans and operations, that Fiddlehead will have the ability to develop its properties in the manner currently contemplated, and other matters, anticipated changes to the Company's reserves and production, timing of directly marketed crude oil and gas sales, drilling plans and the timing thereof, commodity price risk management strategies, reserves estimates, management's expectation for results of operations for 2025, including expected 2025 average production, Funds Flow from Operations, that Fiddlehead will have the ability to pay down its debt, the 2025 capital program for exploration and development, the timing and method of financing thereof, the Company's beliefs regarding the reserves and production growth of its assets and the ability to grow with a stable production base, that Fiddlehead will have the ability to steward capital and reduce costs, the Company being able to meet conditions under the Amended Credit Facility, enforcement action under the Term Loan or Amended Credit Facility, commodity prices and expected volatility thereof, and interest rates and the expected volatility thereof. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.*

*Forward-looking statements or information relate to the Company's future events or performance. All statements other than statements of historical fact may be forward-looking statements or information. Such statements or information are often but not always identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions.*

*Forward-looking statements or information necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, economic and political instability, volatility of commodity prices, currency fluctuations, fluctuations in operating expenses due to changes in inventory volumes, inability to pay down the Company's debt, imprecision of reserves estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals, operating results, cash flows and/or financial condition, ability to access sufficient capital from internal and external sources. The recovery and reserves estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Events or circumstances may cause actual results to differ materially from those predicted, as a result of the risk factors set out and other known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company.*

*In addition, forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information in order to provide shareholders with a more complete perspective on the Company's future operations. Such statements and information may prove to be incorrect and readers are cautioned that such statements and information may not be appropriate for other purposes. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements or information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future commodity prices; the ability of the Company's derivative financial instruments to manage its exposure thereto; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; the impact of potential litigation and claims on the Company; and the ability of the Company to successfully market and receive payment for its oil and natural gas products.*

*Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedarplus.ca](http://www.sedarplus.ca)) and on the Company's website ([www.fiddleheadresources.com](http://www.fiddleheadresources.com)).*

*Furthermore, the forward-looking statements or information contained herein are made as at the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

*The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings (loss) as further information becomes available, and as the economic environment changes.*

*This MD&A includes references to certain financial measures which are not specified, defined, or determined under IFRS and are therefore considered non-GAAP financial measures. These non-GAAP financial measures are unlikely to be comparable to similar financial measures presented by other issuers. For a full description of these non-GAAP financial measures and a reconciliation of these measures to their most directly comparable GAAP measures, please refer to "NON-GAAP FINANCIAL MEASURES".*

*Natural gas volumes have been converted on the basis of six thousand cubic feet of natural gas to one barrel of oil equivalent. Barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*