

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 368(a)(1)(E)

Section 354(a)

Section 358(a) & (b)

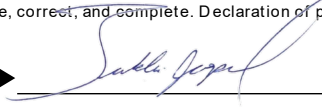
18 Can any resulting loss be recognized? ▶ No loss may be recognized as a result of the transaction.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This transaction will be effective calendar year 2020.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

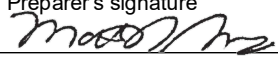


Date ▶ 3/5/2020

Print your name ▶ SUKHI JAGPAL

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name MATTHEW D. SMITH	Preparer's signature 	Date 3-5-2020	Check <input type="checkbox"/> if self-employed	PTIN P00429587
Firm's name ▶ DELOITTE TAX LLP	Firm's address ▶ 38 COMMERCE SW SUITE 600	GRAND RAPIDS MI 49503	Firm's EIN ▶ 86-1065772	Phone no. 616-336-7900

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

SIERRA ONCOLOGY, INC.
FORM 8937 – REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
ADDITIONAL STATEMENT

BOX 10:

As the result of the transaction, surrendered Series A warrants (CUSIP: 82640U115) were exchanged for received Series A warrants (CUSIP: 82640U149) and surrendered Series B warrants (CUSIP: 82640U123) were exchanged for received Series B warrants (CUSIP: 82640U131).

BOX 15:

The transaction is intended to qualify as a tax-free exchange under Section 368(a)(1)(E). Accordingly, each warrant-holder's basis in each Company Warrant received in the exchange will be equal to the basis in the 40 warrants surrendered in exchange for that warrant. Each warrant-holder's aggregate basis in the warrants received in the exchange will be equal to that warrant-holder's aggregate basis in the warrants surrendered.

Since each warrant-holder of each aforementioned warrant series received fewer warrants of that class of warrants than were surrendered, the basis in the surrendered warrants must be allocated in a manner that reflects, to the greatest extent possible, that a warrant received is received in respect of warrants that were acquired on the same date and at the same price. To the extent that it is not possible to allocate in this manner, the basis of the warrants surrendered must be allocated to the warrants received in a manner that minimizes the disparity in the holding periods of the surrendered warrants whose basis is allocated to any particular warrant received. This could result in a particular warrant having a split basis and a split holding period. Each warrant-holder should consult with his or her tax advisor with respect to the computation of basis in this transaction based on his or her specific facts.

BOX 16:

The basis in each Company Warrant received in the exchange will generally be equal to the 40 warrants exchanged for that warrant. See the discussion in Box 15 above for further description of the specific allocation of basis when certain warrants have a different basis per warrant and/or holding period.