

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)

Section 302

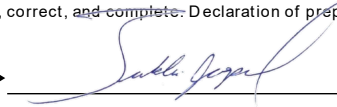
18 Can any resulting loss be recognized? ▶ No loss may be recognized as a result of the transaction except for possible loss recognized in connection with cash received in lieu of a fractional Company share.

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 ▶

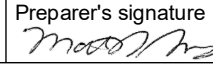


Date ▶ 3/5/2020

Print your name ▶ SUKHI JAGPAL

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name MATTHEW D. SMITH	Preparer's signature 	Date 2-26-2020	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 common shares (CUSIP: 82640U107) were exchanged for received common shares (CUSIP: 82640U404).

BOX 15:

The transaction is intended to qualify as a tax-free exchange under Section 368(a)(1)(E). Accordingly, each shareholder's basis in each Company Share received in the exchange will be equal to the basis in the 40 shares surrendered in exchange for that share. Each shareholder's aggregate basis in the shares of each class of stock received in the exchange (including fractional Company Shares deemed received and exchanged for cash) will be equal to that shareholder's aggregate basis in the shares of that class surrendered.

Since each shareholder of each aforementioned class of shares received fewer shares of that class of shares than were surrendered, the basis in the surrendered shares must be allocated in a manner that reflects, to the greatest extent possible, that a share of stock received is received in respect of shares of stock 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 shares surrendered must be allocated to the shares of stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular share received. This could result in a particular share having a split basis and a split holding period. Each shareholder should consult with his or her tax advisor with respect to the computation of gain or loss and basis in this transaction based on his or her specific facts.

BOX 16:

The basis in each Company Share received in the exchange will generally be equal to the 40 shares exchanged for that share. The remaining basis in the fractional shares that are exchanged for cash in lieu will be compared to the cash received for those shares and gain or loss will be recognized accordingly. See the discussion in Box 15 above for further description of the specific allocation of basis when certain shares have a different basis per share and/or holding period.