

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  SIERRA ONCOLOGY, INC.		<b>2</b> Issuer's employer identification number (EIN)  20-0138994		
<b>3</b> Name of contact for additional information  MS. JOSIE TAYLOR	<b>4</b> Telephone No. of contact  7342333965	<b>5</b> Email address of contact  JTAYLOR@SIERRAONCOLOGY.COM		
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  46701 COMMERCE CENTER DRIVE		<b>7</b> City, town, or post office, state, and Zip code of contact  PLYMOUTH MI 48170		
<b>8</b> Date of action  01/29/2020		<b>9</b> Classification and description  Conversion of Series A preferred shares to common shares		
<b>10</b> CUSIP number  82640U206	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  SRRA	<b>13</b> Account number(s)	

**Part II Organizational Action** Attach additional statements if needed. See second page of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 29, 2020, Sierra Oncology, Inc. (the "Issuer") converted all of its outstanding shares of Series A stock ("Preferred Shares") to common stock at a ratio of 1:75.76. All fractional shares were rounded down and no cash or other property was transferred in the exchange.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The conversion was tax-free to the shareholders. The tax basis each shareholder had in each Preferred Share became the stock basis in each share or shares of common stock received in exchange.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The basis in each Preferred Share is not changed as a result of this computation. It becomes the basis in the corresponding shares of common stock received in the exchange. 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 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 basis in this transaction based on his or her specific facts.

**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)

18 Can any resulting loss be recognized? ▶ This reorganization would not create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This reorganization shifted the basis in each Preferred share to the common share(s) received in the exchange on the date of the exchange, January 29, 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  if self-employed

PTIN

P00429587

Firm's name ▶ DELOITTE TAX LLP

Firm's EIN ▶ 86-1065772

Firm's address ▶ 38 COMMERCE SW SUITE 600

GRAND RAPIDS

MI 49503

Phone no. 616-336-7900

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