

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Generally, IRC §§ 1001, 1011, and 1012 are applicable.

18 Can any resulting loss be recognized? ► As a taxable acquisition, in general, US shareholders may recognize losses on their shares as a result of the acquisition. However, shareholders should consult their own tax advisors as to the tax consequences to them as a result of the transaction.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► For additional information please refer to the full text of the Merger Agreement, which is included as Annex A in Leap's Registration Statement on Form S-4 filed with the Securities and Exchange Commission("SEC") on September 26, 2016. In addition, please refer to the Prospectus filed with the SEC on November 23, 2016, which details the tax treatment for US and non-US shareholders.

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code, and includes a general summary regarding the application of certain US federal income tax laws and regulations relating to the effects of the merger. The information contained herein is merely illustrative, does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither Leap nor Macrocare provides tax advice to its shareholders. All former Macrocare shareholders are urged to consult their own tax advisors regarding the consequences of the merger to them, including the applicability and effect of all US federal, state, and local and foreign tax laws.

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 ► Douglas C. Onsi Date ► 1/23/2017

Print your name ► Douglas Onsi Title ► CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			

Form 8937

Leap Therapeutics, Inc. & Subsidiary (NASDAQ: LPTX)

EIN: 27-4412575

Part II

Question 15

The receipt of Leap common stock by U.S. holders in exchange for Macrocare ordinary shares pursuant to the Merger Agreement is expected to be a taxable transaction for U.S. federal income tax purposes, and is not expected to qualify as a "reorganization" or other non-recognition transaction under any provisions of the Code. If any U.S. holders receive cash in exchange for Macrocare ordinary shares in lieu of any fractional Leap common stock to which such holder may otherwise be entitled, such exchange also is expected to be a taxable transaction for U.S. federal income tax purposes.

Subject to the passive foreign investment company rules, U.S. holders of Macrocare ordinary shares generally will recognize gain or loss equal to the difference, if any, between (1) the sum of the fair market value of Leap common stock received by such U.S. holder in the merger and any cash received in lieu of any fractional Leap common stock to which such holder may otherwise be entitled, and (2) such U.S. holder's adjusted tax basis in the Macrocare ordinary shares surrendered in exchange therefor. For this purpose, U.S. holders of Macrocare ordinary shares must calculate gain or loss separately for each identified block of Macrocare ordinary shares exchanged (that is, Macrocare ordinary shares acquired at the same cost in a single transaction).

Subject to the passive foreign investment company rules, a U.S. holder's gain or loss in Macrocare ordinary shares generally will be capital gain or loss. Non-corporate U.S. holders, including individuals, who have held the Macrocare ordinary shares for more than one year will generally be eligible for reduced long-term capital gains tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

For U.S. federal income tax purposes, a U.S. holder's aggregate tax basis in the Leap common stock received pursuant to the merger will be equal to the fair market value of the Leap common stock received by such U.S. holder on the date Macrocare ordinary shares are exchanged pursuant to the Merger Agreement, and a U.S. holder's holding period with respect to such Leap common stock will begin on the day following the date such U.S. holder's Macrocare ordinary shares are exchanged pursuant to the Merger Agreement.

U.S. federal income tax law does not specify how U.S. holders should determine the fair market value of the Leap common stock on the date of exchange. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. holders should consult their tax advisors with respect to the determination of the fair market value of the Leap common stock as of the date of the exchange.

U.S. holders of Macrocare ordinary shares should consult their tax advisors as to the specific tax consequences in their particular circumstances of the receipt of Leap common stock in exchange for Macrocare ordinary shares pursuant to the Merger Agreement, in each case, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws.

For additional information, please refer to the Company's prospectus issued on November 23, 2016, regarding the US tax treatment for both US and non-US holders.