

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
HANDENI GOLD INC.		98-0430222	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
INVESTOR RELATIONS	1-647-560-5548	INFO@HANDENIGOLD.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
SUITE 200, 5700 YONGE ST.		TORONTO, ON, CANADA, M2M 4K2	
8 Date of action	9 Classification and description		
JUNE 8, 2016	1-FOR-150 REVERSE COMMON STOCK SPLIT AND CUSIP CHANGE		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
41024A202 (NEW)		HNDI	

Part II Organizational Action Attach additional statements if needed. See back 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 ► Effective on June 8, 2016, Handeni Gold Inc. (the "Company") has effected a reverse stock split (the "Reverse Split") of its issued and outstanding shares of common stock on one (1) new share for one-hundred-fifty (150) old shares basis (1:150). As a result of the Reverse Split, on June 8, 2016, 150 shares of the Company's common stock are automatically combined and changed into one share of the Company's common stock. Certificates that represent pre-Reverse Split shares automatically represent approximately 0.67% of such pre-Reverse Split shares following June 8, 2016. No fractional shares of post-Reverse Split common stock will be issued to any stockholder. Accordingly, stockholders of record who would otherwise be entitled to receive a fractional share of post-Reverse Split common stock, will, upon surrender of their certificates representing shares of pre-Reverse Split common stock, receive, if they hold a fractional share a full share of the Company's common stock in return.

The Company's new CUSIP number is 41024A202.

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 combination of 150 shares of the Company's pre-Reverse Split common stock into one share of post-Reverse Split common stock should be a tax-free transaction under the Internal Revenue Code of 1986, as amended. While the basis "per share" is impacted, the basis of the aggregate tax basis remains unchanged. Generally, a U.S. holder's aggregate tax basis in the Company's post-Reverse Split common stock, including any fractional shares deemed received by such U.S. holder in the Company's Reverse Split action, should equal to such U.S. holder's aggregate tax basis in the shares of pre-Reverse Split common stock replaced in the Reverse Split. The new per share tax basis in post-Reverse Split common stock is equal to the aggregate tax basis in 150 old shares of pre-Reverse Split common stock. Stockholders that acquired the Company's common stock at different times or different prices may need to calculate their tax basis in each block of stock and then allocate that tax basis on per share tax basis in the post-Reverse Split. For U.S. tax purposes, shareholders should consult with their tax advisors.

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 ► Generally, post-Reverse Split tax basis per share (new) = Pre-Reverse Split tax basis per share times 150. The following is an example of an adjustment on per share tax basis on post-Reverse Split shares and the example provided below is illustrative and as a convenience to stockholders and their tax advisors when establishing their specific tax position. The example assumes a U.S. shareholder owns 250,000 shares of the Company's pre-Reverse Split common stock, and has an aggregate tax basis of US \$25,000. On June 8, 2016, such shareholder's 250,000 shares of the Company's pre-Reverse Split common stock is automatically changed to 1,667 shares of the Company's post-Reverse Split common stock with the same aggregate tax basis of US \$25,000. As such, the average per share tax basis on the post-Reverse Split common stock is US \$14.997.

Part II Organizational Action (continued)

- 17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
IRC Section 368 (a)(1)(E) - The reverse stock split qualifies as a corporate reorganization - recapitalization
IRC Section 354 (a)(1) - In general, no gain or loss shall be recognized if stock changed solely for stock in the reorganization.
IRC Section 358 (a)-(c), the basis shall be allocated among the properties permitted to be received without the recognition of gain or loss.
IRC Section 1036 (a) - No gain or loss shall be recognized.
IRC Section 1031 (d) - The aggregate basis of the shares exchanged equals the aggregate basis of shares received.

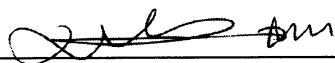
- 18 Can any resulting loss be recognized? ► No loss can be generally recognized by the shareholders for U.S. federal income tax purposes.

- 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
The Reverse Split was effective on June 8, 2016; therefore, the reportable tax year is 2016.
The Company's shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of this Reverse Split, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws, which may result in such Reverse Split being taxable to you.
The information contained herein includes a general summary regarding the application of certain U.S. federal income tax laws and regulation and does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter addressed herein.

Sign Here

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.

Signature ►



Date ►

June 13, 2016

Print your name ► **Melinda Hsu**Title ► **Chief Financial Officer****Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.