



April 21, 2009

My fellow shareholders,

We are now entering an exciting period of advancement in the development of stem cell therapies which was signaled by the most recent lifting of U.S. restrictions on stem cell research. In addition, Dr. Samuel Weiss, a member of our Scientific Advisory Board and Director of the Hotchkiss Brain Institute at the University of Calgary, received the distinguished 2008 Gairdner Award (also known as the “baby Nobel”) for his “seminal discovery of adult neural stem cells in the mammalian brain and its importance in nerve cell regeneration”. These developments in stem cell research have allowed me the opportunity to talk, both in print and on national radio, about how our Company continues to play a key role in the advancement of stem cell-related therapies.

Overall, 2008 was a year of great accomplishment and some frustration. We started 2008 on a high note by presenting data from 12 U.S. patients who showed encouraging safety and efficacy data in response to our NTx-265[®] regimen at the 2008 International Stroke Conference. Importantly, not only did we see functional improvement as measured by the NIH stroke scale score, but also, overall a reduction in infarct size (area of dead tissue caused by the stroke) in the brain. While these were open label as opposed to placebo-controlled studies, we were able to conclude by comparison to published literature data that these effects were greater than would have been anticipated for a placebo alone.

In addition to Health Canada’s approval for the REGENESIS Phase IIb stroke trial, we also received a “May Proceed” letter from the U.S. FDA in April 2008, for the same protocol in order to conduct a smaller companion Phase IIb stroke study in the U.S. This would allow us to eventually pool Canadian and U.S. patient data in a meta-analysis in order to demonstrate the similarity of patients in the two studies, and thereby facilitate our move to Phase III. Soon after receiving approval to initiate the trial, we were pleased to announce the beginning of patient enrollment in the Canadian REGENESIS Phase IIb stroke trial.

While patient enrollment continued in the REGENESIS Phase IIb trial, we completed plans to submit a traumatic brain injury (“TBI”) trial to Health Canada. TBI is similar to stroke in that loss of brain tissue and function ensues, but it is caused by an external incident or accident. We received a “No Objection” letter from Health Canada on the TBI Phase IIa study in September 2008 and had expected to initiate enrollment immediately.

Unfortunately, just days after we received the “No Objection letter” from Health Canada to begin the TBI trial, we were advised by the U.S. FDA that an unrelated, third party erythropoietin (“EPO”) study in Germany, had demonstrated safety problems with EPO. Even though our REGENESIS



protocol is different, we dose EPO on days 7, 8, and 9 post-stroke whereas the German study dosed patients 6 hours after stroke using a higher dose, the FDA demanded that all studies using EPO to treat central nervous system disorders be placed in clinical hold; including our REGENESIS Phase IIb trial and TBI Phase IIa trial. Since mid-September we have worked closely with both Health Canada and the U.S. FDA to remove the clinical holds. Our goal is to remove the clinical holds so our studies may resume as soon as possible.

I feel that it is important to note that even though we are on clinical hold, we continue to be a front runner in clinical development of regenerative treatments for stroke. We intend to maintain and build on that lead.

Meanwhile, we have been issued several major patents in 2008, strengthening our intellectual property portfolio in general, and in particular, expanding our portfolio to include regenerative therapies for multiple sclerosis (“MS”). We have completed necessary MS preclinical studies to move ahead into clinical studies. We are planning to initiate a Proof-of-Concept MS clinical trial that is expected to commence later this year and will be supported by an outside granting agency. While new therapies continue to be worked on in the area of MS, none have the therapeutic profile of our approach which is a drug that actually reverses the nerve damage known as demyelination that causes the major symptoms of the disorder, and often results in the progressive degenerative stage of the disease.

From a corporate perspective, we added two key team members in 2008 and early 2009. Mr. Thomas Franck, who has a long history of pharmaceutical sales and marketing with Procter and Gamble, has joined us as Vice President of Commercial Planning. He will be heavily involved in valuation of our products, and the company as a whole, as we move to develop alliances and partnerships in our separate therapeutic areas. Additionally, Mr. Barry Herring, who has a long history of corporate finance and executive positions, took on the position of Vice President of Finance and Chief Financial Officer (“CFO”). Barry replaced Mr. Mark Wayne who held the position of CFO since 2004. Mark will continue his involvement with the Company as Chairman of the Board of Directors.

We came through 2008 having strengthened our competitive position in our disease areas by continuing to generate supportive data for our approach and having received validation of our approach from external awarding agencies. We enter 2009 ready to complete what we began in 2008 which is to establish our regenerative therapies to succeed.

I want to thank you, our shareholders, for your continued faith and support in our endeavours, and the employees of SCT who form an excellent, hard-working, and accomplished team. I would also



like to thank the executives who, like me, gave an extra vote of assurance in the future of the Company by exchanging a considerable decrease of salary for stock options for 2009. A true vote of internal confidence!

I look forward to working with you all in 2009 to deliver our exciting potential.

Sincerely,

A handwritten signature in blue ink that reads 'Alan F. Moore'.

Alan F. Moore, PhD
President & CEO