



April 22, 2010

My Fellow Shareholders,

This letter is a lot easier to write than the one I wrote you last year! Since then, we have had our clinical hold lifted, set up the modified REGENESIS study, completed enrollment and are now in the home-stretch to learning the results. While that clearly dominates our thinking right now, I would like to take the time to review what we accomplished last year and the changes that took place in terms of people, external communications and project results.

First in terms of people we added our first full time CFO, Barry Herring, in January 2009, and this enabled Mark Wayne, who had been acting as part-time CFO, to focus his SCT role on being Chairman of the Board. Barry's attention to financial detail and 25 years of experience have allowed him to contribute in a major way to our cost -savings programs....including salary cuts, deferred bonus payments and strict travel limitations, which in turn have allowed us to complete our project activities in a timely and cost-effective manner.

Dr. Francesco Bellini chose not to stand for re-election at the 2009 AGM and I would like to thank him sincerely for his contributions to SCT, and for the valuable tactical and strategic lessons he taught me from his many years of experience in the biotechnology industry. Bob Rieder joined the Board in May of 2009, and I am delighted to note his level of involvement with the company and the time that he commits to our activities. The experience he brings from his many years with Cardiome, as CEO and now Chairman of the Board, and before that with MDS, allows him to provide invaluable tactical and strategic guidance. I would also like to congratulate Dr. Samuel Weiss on his appointment as Fellow to the Royal Society of Canada last fall. Dr. Weiss' discovery of the existence of neural stem cells in the adult brain and his dedication to the field of developmental neurobiology and neural regeneration have led to international research which has been pivotal to understanding how stem cells can be stimulated to heal the brain. As a member of our Company' Scientific advisory board, Dr. Weiss has been an invaluable source of knowledge as we move forward in our company's development. Finally, I would be remiss if I didn't congratulate Chloe Douglas-Crampton on her recent addition to her family....Owen Alexander....and recognize the early contributions made by Angelika Goncalves DaSilva, our new Operations manager, and a PhD from the University of Calgary laboratory of our multiple sclerosis collaborator Dr. Wee Yong, and who has decided, much to our CFO's delight, to focus her educational activities on obtaining a CMA.

While we did cut back on travel, we selected our external communications for the maximum strategic benefit. This included Dr. Joshua Hare, one of our esteemed Scientific Advisory Board members, presenting his studies of the beneficial effects of our NTX stroke regimen in an animal model of congestive heart failure, and describing the unique scar-healing properties observed, at the American College of Cardiology meeting in March 2009. In addition, Drs. Moore and Davidoff both presented data on our clinical stroke work and preclinical findings in traumatic brain injury at key military-sponsored meetings: the Combat Casualty Care meeting and the



Neural Regeneration Workshop at Sandia laboratories, respectively. Finally, Dr. Wee Yong presented his SCT-sponsored multiple sclerosis work at a major international meeting in Germany in September 2009.

We also took the opportunity to publish several papers on our work. In particular an extremely encouraging meta-analysis of the 19 patients' combined data from the BETAS and REGENESIS studies....showing that whereas the 5 placebo patients showed an increase in NIHSS score of 0.7 points, the 14 treated patients showed a decrease in the NIHSS of 8.8 points, and that this was statistically significant at the  $p < 0.0001$  level.....a result that we found very encouraging as we looked to recommence our stroke program.

And of course the major news last year was that both FDA and Health Canada lifted the hold on our stroke program, and allowed us to proceed with a modified REGENESIS study. We have now completed enrollment in this study after a series of extremely encouraging DSMB meetings gave us the go-ahead to continue the study at each decision stage, and we are now approaching the 90 day endpoint for all patients, and then the top-line data analysis.

To assure financial flexibility as we pursue development options, we did a small \$2.2 million raise in October last year, did a warrant re-pricing offer earlier in the summer, and have recently announced an extension of the warrant offer period on warrants issued as part of the bought deal we completed in November 2007.

Clearly, a positive outcome for the modified REGENESIS study will be a huge accomplishment for SCT and its shareholders and a major opportunity for therapeutic development for stroke patients in the future. However, several other areas add value to SCT from our ongoing work in traumatic brain injury (TBI) (Health Canada approved the new clinical study in January 2010), or the multiple sclerosis clinical program, through to our IP portfolio, where again we have had important new additions this year, and finally our SHRED tax credits which as a public company we cannot cash on an annual basis, but do represent real value to us as a company in the future.

This is truly a major moment in the sun for us as a company, and I thank you, my loyal fellow shareholders for staying with us and supporting us during a period of some uncertainty. I hope to continue, as the head of the Management team, to earn your continued confidence....and I very much appreciate that. Cheers!!

Sincerely,

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

Alan F. Moore, PhD  
President & CEO