FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Stem Cell Therapeutics Corp. ("**Stem Cell**" or the "**Company**")
Suite 1000, 1520 – 4th Street SW
Calgary, AB T2R 1H5

Item 2. Date of Material Change

June 25, 2010

Item 3. News Release

A press release reporting the material change was issued on June 25, 2010 through the services of Marketwire.

Item 4. Summary of Material Change

Stem Cell announced that after further analysis of the trial results originally released on May 25, 2010, management has been unable to determine a definitive explanation for the unexpectedly large placebo effect encountered in the modified REGENESIS-Phase IIb stroke trial.

The Company further announced that even if the Company is successful in obtaining FDA approval to conduct a Phase III stroke trial for NTx®-265, the Company's ability to continue further stroke studies is uncertain at this time due to its limited capital and the failure to meet the primary efficacy endpoint in the modified REGENESIS-Phase IIb stroke trial. Accordingly, the Board of Directors has decided to implement a cost-cutting program to preserve as much capital as possible while management pursues the end-of-Phase II meeting with the FDA.

Item 5.1 Full Description of Material Change

On May 25, 2010, the Company announced top-line results for the modified REGENESIS-Phase IIb stroke trial, a placebo controlled, double blinded, 3:1 randomized clinical study that enrolled 96 patients with acute ischemic stroke between August 2009 and January 24, 2010. Stem Cell reported that the top-line analysis for this clinical trial of NTx®-265 in acute stroke showed that there was substantial improvement in the primary efficacy endpoint (absolute change in NIHSS) in both placebo treated patients and those receiving NTx®-265, with no statistical differences between the groups.

After further analysis of the trial results, management has been unable to determine a definitive explanation for the unexpectedly large placebo effect encountered in the

modified REGENESIS-Phase IIb stroke trial. Further analysis has, however, indicated that some of the secondary endpoints that were also measured as part of the trial demonstrate a trend that shows greater efficacy in those patients who received the NTx®-265 therapy versus those who were given the placebo. None of these secondary endpoints had sufficient patient populations to demonstrate statistically significant differences; nevertheless the trends are considered by management to be encouraging. Analysis of the trial results is ongoing and all calculations are subject to validation in the final report which is expected to be completed by the end of August.

In light of these positive trends, and the excellent safety profile for NTx®-265 as demonstrated by the modified REGENESIS-Phase IIb stroke trial, management of the Company believes that it would be worthwhile to proceed to an end-of-Phase II meeting with the FDA in which they will seek approval to proceed with a Phase III stroke study for NTx®-265. Management's objective is to have such meeting in October of this year. There can be no assurance that the FDA will grant approval for a Phase III stroke trial.

Cost Cutting Program

Even if the Company is successful in obtaining FDA approval to conduct a Phase III stroke trial for NTx®-265, the Company's ability to continue further stroke studies is uncertain at this time due to its limited capital and the failure to meet the primary efficacy endpoint in the modified REGENESIS-Phase IIb stroke trial. Accordingly, the Board of Directors has decided to implement a cost-cutting program to preserve as much capital as possible while management pursues the end-of-Phase II meeting with the FDA. As part of this program, the employment contracts for each of the senior officers of the Company (CEO, CFO, VP Product, Development and VP, Commercial Planning) have been terminated effective June 30, 2010. Alan Moore, the current CEO, and Barry Herring, the current CFO have agreed to stay on with the Company in their current capacities on a consulting basis for the following six months to assist the Company in its attempt to maximize the value of its intellectual property. The Company has made a similar consulting offer to Alan Davidoff, the current VP, Product Development and expects to have a response next week. Also, as part of the cost cutting program, other staff positions will be eliminated or reduced, certain external research and service contracts will be terminated, and the Company will significantly reduce the size of its office space. The estimated cost of effecting the employee terminations and other cutbacks discussed above is approximately $540,000. Management estimates that after giving effect to the cost cutting program, the Company will have a cash balance of approximately $1.4 million at the end of 2010, with little or no severance, lease or other contractual obligations at such time. The Board believes that taking these steps now will put the Company in the strongest financial position to consider and pursue strategic alternatives for maximizing future shareholder value.

Board of Directors

Bob Rieder resigned as a director of the Company effective June 24, 2010. The remaining Board members have verbally indicated their intention to remain on the Board until at least the end of 2010.

Outlook for Remainder of 2010

During the next six months, management will focus its efforts on pursuing the end-of–Phase II meeting with the FDA for the NTx®-265 stroke therapy, as discussed above. This is expected to be a low-cost initiative. At the same time, management and the Board will review alternatives for pursuing the traumatic brain injury ("TBI") and multiple sclerosis ("MS") study opportunities that have been discussed in the past. The focus in this regard will be to determine the best way to finance such studies through to their completion. In addition to the foregoing, management and the Board will also consider other strategic alternatives for the Company. This might involve the engagement of a financial advisor and/or the appointment of a Special Committee of the Board. No such steps have been taken at this time as the current priority is to implement the cost cutting program described above and allow management to begin pursuing the initiatives discussed in this press release. Further updates will be announced as developments warrant.

Except for historical information, this material change report may contain forward-looking statements, which reflect the Company's current expectation regarding future events. These forward-looking statements involve risk and uncertainties, which may cause but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable. This is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information contact Alan Moore, PhD, President and CEO of Stem Cell at (403) 245-5495 ext.224.

Item. 9 Date of Report

June 25, 2010