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OTCQX: SCTPF

STEM CELL THERAPEUTICS ACQUIRES AN EXCLUSIVE OPTION TO LICENSE PROSTATE CANCER STEM CELL ASSETS

Collaboration with Internationally Renowned Prostate Cancer Research Group

Toronto, Canada – August 9, 2013 – Stem Cell Therapeutics Corp. (TSX-V: SSS; OTCQX: SCTPF), a biopharmaceutical company developing cancer stem cell-related therapeutics, today announced that it has entered into an option agreement to exclusively license worldwide rights to a series of prostate cancer stem cell assets from the University of York, United Kingdom. The assets originate from research funded by Yorkshire Cancer Research (YCR) and conducted in the YCR Cancer Research Unit, University of York, under the direction of Professor Norman Maitland. Stem Cell Therapeutics (SCT) intends to work closely with the Maitland group, leveraging its internal scientific strengths and its existing global network of collaborators.

"This agreement provides Stem Cell Therapeutics with an opportunity to evaluate several highly promising therapeutic targets, all of which are expressed on prostate cancer stem cells, as well as on other types of cancers." added Dr. Bob Uger, SCT's Chief Scientific Officer. "Much of the York group's research is focused on hypothesis testing using powerful multicellular *in vitro* models and xenograft *in vivo* models of tumour development/metastasis. We will extend this research into the generation of monoclonal antibodies to these targets, with an ultimate goal of identifying new therapeutic development candidates."

Dr. Maitland's research group is focused on the development and aetiology of human prostate cancer. They have compiled gene expression profiles for various cell types present in prostate tumors and in normal prostate tissue, and have mined these data for genes and signaling pathways that affect cell fate. This has demonstrated that heterogeneity within human prostate cancers is due to two independent events: carcinogenic changes and aberrant differentiation. Exploiting knowledge of the genetic signature of prostate cancer stem cells, the Maitland group has identified novel avenues for treatment which could delay, or even prevent, tumour recurrence. The group has also shown that prostate cancer stem cells have an active resistance mechanism to many

conventional therapies, such as radiotherapy and chemotherapy. These latter therapies are directed against the majority of cells in the tumour (the most differentiated cells), but do not affect the minority population, which are the cancer stem cells. Thus, prostate cancer stem cells form a root for post therapy recurrence.

"This commercial partnership should be the ultimate outcome for all charity supported cancer research. We plan to exploit more than 10 years of research into prostate cancer stem cells in York to develop new treatments for the benefit of patients here and around the world," commented Professor Maitland. "Our unique approach, supported by Yorkshire Cancer Research, has studied fragments of real tumors donated by men with prostate cancer, and has provided new insights into how the rare stem cells work, and more importantly, how we can kill them. With the collaboration and expertise of Stem Cell Therapeutics, a company dedicated to cancer stem cell R&D, we can at last produce the actual drugs and biological agents to achieve our goal."

The execution of the definitive license agreement is subject to final due-diligence and certain conditions being met by SCT over the next 6-9 months. The license agreement will contain customary terms and provisions for assets at this stage of development, including an initial license consideration, milestone payments, royalties on sales and sublicensing terms.

"We consider ourselves fortunate to have secured these assets from such a preeminent cancer stem cell research group. Dr. Maitland has long been considered a world-authority in prostate cancer research and we look forward to working closely with both him and his colleague, Dr. Anne Collins," remarked SCT's CEO, Dr. Niclas Stiernholm. "This development is a continuation of our strategy to build individual programs and collaborations around strong scientific minds with demonstrated global leadership in the cancer stem cell arena."

About Cancer Stem Cells:
The cancer stem cell (CSC) concept postulates that the growth of tumors is driven by a rare population of dedicated cells that have stem cell-like properties, including self-renewal. While the bulk of a tumor consists of rapidly proliferating cells and differentiated cells, neither of which is capable of self-renewal, a small population of CSCs provides for long-term maintenance of the cancer. Although the CSC concept was first postulated in the 1960s, it wasn't until 1994 that proof of their existence was demonstrated, when Dr. John Dick and colleagues in Toronto isolated CSCs (known as leukemic stem cells, or LSCs) from bulk acute myeloid leukemia cells. More recently, CSCs have been identified in many other human malignancies, including solid tumors such as bladder, brain, breast, colon, ovarian and prostate cancers. There is accumulating evidence that CSCs are resistant to conventional chemotherapies and radiation. Thus, CSCs are thought to be responsible for a phenomenon well known to oncologists: most patients will experience an initial response to conventional chemotherapies but will ultimately relapse. To cure cancer CSCs need to be destroyed, but the current armament of therapies is poorly equipped to do so.

About Stem Cell Therapeutics:
Stem Cell Therapeutics Corp. (SCT) is a biopharmaceutical company dedicated to advancing cancer stem cell discoveries into novel and innovative cancer therapies. Building on over half a century of leading and groundbreaking Canadian stem cell research, the company is supported by established links to a group of Toronto academic research institutes and cancer treatment centers, representing one of the world's most acclaimed cancer research hubs. The Company has two premier preclinical programs, SIRPaFc and a CD200 monoclonal antibody (mAb), which target two key immunoregulatory pathways that tumor cells exploit to evade the host immune system. SIRPaFc is an antibody-like fusion protein that blocks the activity of CD47, a molecule that is upregulated on cancer stem cells in AML and several other tumors. The CD200 mAb is a fully human monoclonal antibody that blocks the activity of CD200, an immunosuppressive molecule that is overexpressed by many hematopoietic and solid tumors. SCT's clinical stage programs include the recently in-licensed program focused on the structure of tigecycline, which is currently being evaluated in a multi-centre Phase I study in patients with acute myeloid leukemia (AML), as well as TTI-1612, a non-cancer stem cell asset that recently completed a 28-patient Phase I trial in interstitial cystitis ("IC") patients. For more information, visit: www.stemcellthera.com

Caution Regarding Forward-Looking Information:
This press release may contain forward-looking statements, which reflect SCT's current expectation regarding future events. These forward-looking statements involve risks and uncertainties that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include changing market conditions; the successful and timely completion of pre-clinical and clinical studies; the establishment of corporate alliances; the impact of competitive products and pricing; new product development risks; uncertainties related to the regulatory approval process or the ability to obtain drug product in sufficient quantity or at standards acceptable to health regulatory authorities to complete clinical trials or to meet commercial demand; and other risks detailed from time to time in SCT's ongoing quarterly and annual reporting. Except as required by applicable securities laws, SCT undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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