FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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SIC: **3674** Semiconductors & related devices

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 30, 2012

OR

[ ] **TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934**

From the transition period from _____ to _____ .

Commission File Number 000-52735

METASTAT, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	**20-8753132**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

8 Hillside Avenue, Suite 207
Montclair, New Jersey 07042
(Address of principal executive offices)

(973) 744-7618
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ] (Do not check if a smaller reporting company)	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of January 14, 2013, there were 21,054,418 shares of common stock of the registrant outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

METASTAT INC.
(A Development Stage Company)
Consolidated Balance Sheet
(Unaudited)

	November 30, 2012	February 29, 2012
ASSETS		
CURRENT ASSETS		
Cash	$ 466,916	$ 878,340
Certificate of deposit	250,275	-
Subscription receivable	-	865,000
Total Current Assets	717,191	1,743,340
PROPERTY AND EQUIPMENT		
EQUIPMENT (net of accumulated depreciation of $9,484 and $1,271, respectively)	51,227	19,208
TOTAL ASSETS	$ 768,418	$ 1,762,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable	$ 41,825	$ 291,859
Accrued Liabilities	-	-
TOTAL LIABILITIES	41,825	291,859
STOCKHOLDERS' EQUITY		
Preferred stock (50,000,000 shares authorized; none shares issued and outstanding respectively)	-	-
Common stock (Common Stock, $0.0001 par value; 150,000,000 shares authorized; 21,054,418 and 20,074,422 shares issued and outstanding respectively)	2,106	2,008
Paid-in-capital	5,345,737	4,310,581
Accumulated deficit as a development stage company	(4,621,250)	(2,841,900)
Total Equity	726,593	1,470,689
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 768,418	$ 1,762,548

The accompanying footnotes are an integral part of these unaudited financial statements.

METASTAT INC.
(A Development Stage Company)
Consolidated Statement of Expenses
(Unaudited)

	Three Months ended November 30, 2012	Three Months ended November 30, 2011	Nine Months ended November 30, 2012	Nine Months ended November 30, 2011	Period from Inception (July 22, 2009) to November 30, 2012
Revenue					
Interest income	94	-	442	-	442
Total Revenue	94	-	442	-	442
OPERATING EXPENSES					
General & administrative	$ 364,110	$ 205,267	$ 1,237,808	575,895	2,145,187
Research & development	45,000	91,000	378,517	882,554	1,402,923
Depreciation	2,800	163	8,213	820	9,484
Warrant Expense	149,995	84,792	149,995	84,792	299,994
Stock-based compensation	(5,806)	-	5,259	-	764,104
Total Operating Expenses	556,099	381,222	1,779,792	1,544,061	4,621,692
NET LOSS	$ (556,005)	$ (381,222)	$ (1,779,350)	(1,544,061)	(4,621,250)
Basic & Diluted Net Loss Per Share	$ (0.03)	$ (0.02)	(0.09)	(0.10)	
Weighted shares outstanding	21,054,418	16,179,846	20,825,840	15,921,662	

The accompanying footnotes are an integral part of these unaudited financial statements.

METASTAT INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months ended November 30, 2012	Nine Months ended November 30, 2011	Period from Inception (July 22, 2009) to November 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (1,779,350)	$ (1,544,061)	$ (4,621,250)
Adjustments to reconcile net loss to net			
cash used by operating activities			
Shares issued for services	5,259	568,559	764,094
Depreciation	8,213	820	9,484
Warrant expense	149,995	84,792	299,994
Changes in assets and liabilities			
Accounts receivable	-	809	-
Accounts payable	(250,034)	41,703	41,825
NET CASH USED IN OPERATING ACTIVITIES	(1,865,917)	(847,378)	(3,505,853)
CASH FLOWS FROM INVESTING ACTIVITIES			
Certificate of deposit	(250,275)	-	(250,275)
Purchase of equipment	(40,232)	-	(60,711)
NET CASH USED IN INVESTING ACTIVITIES	(290,507)	-	(310,986)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from subscription receivable	865,000	-	865,000
Proceeds from sale of common stock	880,000	697,643	3,418,755
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,745,000	697,643	4,283,755
NET INCREASE (DECREASE) IN CASH	(411,424)	(149,735)	466,916
Cash at the beginning of the year	878,340	242,256	-
Cash at the end of the year	$ 466,916	$ 92,521	$ 466,916
SUPPLEMENTAL DISCLOSURES:			
Interest Paid	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -

The accompanying footnotes are an integral part of these unaudited financial statements.

METASTAT INC. and Subsidiary
Notes to Condensed Consolidated Financial Statements
November 30, 2012 and February 29, 2012
(Unaudited)

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

MetaStat, Inc. (“we,” “us,” “our,” the “Company,” or “MetaStat”) is a life science company focused on understanding and treating systemic metastasis. Our mission is to become an industry leader in the emerging field of personalized cancer therapy.

Basis of Presentation

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s most recent Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal period, as reported in the Form 10-K, have been omitted.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of MetaStat Inc. and its controlled subsidiaries. Equity investments in which we exercise significant influence, but do not control and are not the primary beneficiary, are accounted for using the equity method of accounting. Investments in which we do not exercise significant influence over the investee are accounted for using the cost method of accounting. Intercompany transactions are eliminated.

NOTE 3 – EQUITY

During the nine months ended November 30, 2012, the Company sold 880,000 shares of common stock for total proceeds of $880,000, of which the Company received $880,000.

On May 22, 2012, the Company issued 100,000 shares to two consultants vesting over a period of ten years or upon the listing of the Company on a national exchange. The Company valued the shares for a total fair value of $100,000 on the grant date and has amortized the expense each quarter based upon the vested portion. As of November 30, 2012, the Company has recognized $5,259 in stock compensation expense.

May 2012 Private Placement

On May 1, 2012, we entered into a securities purchase agreement with certain institutional and accredited investors for the issuance and sale in a private placement consisting of, in the aggregate, (a) 880,000 shares of common stock, at a price per share of $1.00 and (b) four-year warrants to purchase up to 220,000 shares of common stock at an exercise price of $1.40 per share, expiring on May 1, 2016, for aggregate gross proceeds of $880,000 (the “May 2012 Private Placement”). As of November 30, 2012, we have closed on the full amount of $880,000.

In connection with the May 2012 Private Placement, we also entered into a registration rights agreement with the investors whereby we agreed to file a registration statement with the SEC to register for resale the shares of common stock and the shares of common stock underlying the warrants within 120 calendar days of the closing date, and to have the registration statement declared effective within 180 calendar days of the closing date or within 270 calendar days of the closing date in the event of a full review of the registration statement by the SEC.

NOTE 4 – STOCK OPTIONS

During January 2012, the Company issued options to purchase 1,116,500 shares of common stock at $0.68 per share to its President, members of its scientific advisory board and several consultants involved in the Company's ongoing research related to cancer. All of the options except for 220,000 vest immediately and expire on January 6, 2022. These options have a fair value of $611,250, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 1.98%; (2) an expected term of 10 years; (3) an expected volatility of 403%; and (4) zero expected dividends.

The following table summarizes common stock options issued and outstanding:

	Options	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	1,116,500	$ 0.68	$ 2,052,976	9.86
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at November 30, 2012	1,116,500	$ 0.68	$ 2,678,905	9.11

As of November 30, 2012, 1,116,500 options were exercisable at $0.68 per share with a weighted average life of 9.11 years.

NOTE 5 – WARRANTS

On November 14, 2011, the Company entered into consulting agreement with Burnham Hill Advisors and warrants were issued to purchase 220,000 shares of common stock at $0.68 per share. The fair value of these warrants was determined to be $149,999, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 0.91%; (2) an expected term of 5 years; (3) an expected volatility of 403%; and (4) zero expected dividends.

During the year ended February 29, 2012, the Company granted 1,497,214 warrants together with shares of common stock issued on January 31, 2012 exercisable at $0.91 per share and expiring on January 31, 2017. The Company also granted 216,250 warrants on February 27, 2012 exercisable at $1.40 per share and expiring on February 27, 2016.

Immediately prior to the share exchange transaction, Photovoltaic Solar Cells, Inc. issued an aggregate of 350,000 warrants exercisable at $1.40 per share.

On October 14, 2012, the Company entered into consulting agreement with Crystal Research Associates and warrants were issued to purchase 150,000 shares of common stock at $1.50 per share. The fair value of these warrants was determined to be $149,995, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 0.63%; (2) an expected term of 4 years; (3) an expected volatility of 420%; and (4) zero expected dividends.

For the nine months ended November 30, 2012, the Company issued 220,000 warrants in connection with the May 2012 Private Placement referenced in Note 2. These warrants were issued on May 1, 2012, are exercisable at $1.40 per share and expire on May 1, 2016. These warrants vest immediately.

The following table summarizes common stock purchase warrants issued and outstanding:

	Warrants	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	2,283,372	$ 1.01	$ 2,283,372	4.83
Granted	370,000	$ 1.44	$ 824,900	-
Outstanding at November 30, 2012	2,653,374	$ 1.07	$ 6,901,111	4.12

Warrants exercisable at November 30, 2012 are:

Exercise prices	Number of shares	Weighted average remaining life (years)	Exercisable number of shares
$ 0.68	220,000	3.96	220,000
$ 0.91	1,497,122	4.17	1,497,124
$ 1.40	216,250	3.24	216,250
$ 1.40	350,000	4.25	350,000
$ 1.40	220,000	3.42	220,000
$ 1.50	150,000	3.67	150,000

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

References in this report to "we," "us," "our," "the Company" and "MetaStat" refer to MetaStat, Inc. and its subsidiary. References to the "SEC" refer to the U.S. Securities and Exchange Commission.

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this interim report. Our consolidated financial statements have been prepared in accordance with U.S. GAAP. Our consolidated financial statements and the financial data included in this interim report reflect our reorganization and have been prepared as if our current corporate structure had been in place throughout the relevant periods. The following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expect," "anticipate," "intend," "believe," or similar language. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Our business and financial performance are subject to substantial risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. In evaluating our business, you should carefully consider the information set forth under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended February 29, 2012. Readers are cautioned not to place undue reliance on these forward-looking statements.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto and other financial information appearing in our Annual Report on Form 10-K for the year ended February 29, 2012.

Business Overview

We are a life science company focused on understanding and treating hematogenous (blood borne) or systemic metastasis of cancer. Our proprietary platform technologies are the result of over 15 years of collaboration involving four scientific/academic institutions, which enabled us to characterize the behavior, mechanics and genetics of metastatic cancer cells.

Our MetaSite *Breast*™ and MenaCalc™ diagnostic product lines are designed to accurately predict the probability of cancer metastasizing. They are intended to allow clinicians to better "customize" cancer treatment decisions by positively identifying and differentiating high-risk patients who need aggressive therapy and by sparing low-risk patients from the harmful side effects and expense of chemotherapy and radiation therapies. Furthermore, we believe our MenaCalc™ diagnostic platform may be applicable in up to 80% of all solid epithelial cancers, including breast, prostate, lung and colorectal, which account for over 50% of all new cancer cases in the U.S. each year. As such, we believe our diagnostic products represent a significant breakthrough for cancer patients and their doctors because 90% of all solid tumor cancer deaths are due from systemic metastasis.

Additionally, we believe our MenaBloc™ chemotherapy technology will target and interrupt key pathways essential for the development of systemic metastasis in multiple epithelial derived tumors.

Our first test, the MetaSite *Breast*™ test, will be used for breast cancer patients to predict the likelihood of systemic metastasis in breast cancer. Systemic metastasis is the spread of breast cancer cells to other organs in the body through the blood stream. This spread, and the resulting growth of breast cancer tumors in other organs in the patient's body, is responsible for up to 90% of fatalities in breast cancer. We anticipate the necessary tumor samples from a patient's biopsy will be sent to our clinical reference laboratory that we anticipate establishing for analysis. We believe that we will be a clinical reference laboratory as defined under the Clinical Laboratory Improvement Amendments of 1988 ("CLIA"), and as such we will be required to hold certain federal, state and local licenses, certifications and permits to conduct our business. Under CLIA, we will be required to hold a certificate applicable to the type of work we perform and to comply with standards covering personnel, facilities administration, quality systems and proficiency testing. Upon generation and delivery of a Metastasis Score report to the physician, we plan to bill third-party payors for the MetaSite *Breast* test.

We have completed a 500 patient Large Population Validation study for the MetaSite *Breast* test and expect the full analysis and publication of the data later in 2013. If the data generated in this study shows the predictive power shown in our previously completed 60 patient and 44 patient trials, we anticipate commencing pilot marketing of the MetaSite *Breast* test within the next 12 to 18 months. We plan to initially market to a select number of physicians in a few markets in the United States through a small direct sales force. We believe a subsequent increase in demand will result from the publication of our Large Population Validation study in one or more peer-reviewed scientific/medical journals and the presentation of our study results at gatherings such as the ASCO meeting and/or the San Antonio Breast Cancer Symposium. However, any increased demand for our product is not necessarily indicative of future growth rates, and we cannot assure you that this level of increased demand can be sustained. Initially, we believe our clinical reference laboratory will have the capacity to process up to 1,000 tests per quarter, and our current expansion plan contemplates that we will have capacity to process up to 15,000 tests per quarter by the end of calendar 2015.

We believe the key factors that will drive broader adoption of the MetaSite *Breast* test will be acceptance by healthcare providers of its clinical benefits, demonstration of the cost-effectiveness of using our test, expanded reimbursement by third-party payors, expansion of our sales force and increased marketing efforts. Reimbursement of the MetaSite *Breast* test by third-party payors is essential to our commercial success. In general, clinical laboratory testing services, when covered, are paid under various methodologies, including prospective payment systems and fee schedules. Reimbursement from payors depends upon whether a service is covered under the patient's policy and if payment practices for the service have been established. As a relatively new test, MetaSite *Breast* may be considered investigational by payors and not covered under current reimbursement policies. Until we reach agreement with an insurer on contract terms or establish a policy for payment of the MetaSite *Breast* test, we expect to recognize revenue on a cash basis.

Upon commercialization of the MetaSite *Breast* test, we will begin working with third-party payors to establish reimbursement coverage policies. Where policies are not in place, we will pursue case-by-case reimbursement. We believe that as much as 20% of our future revenues may be derived from tests billed to Medicare. We will begin working with many payors, including Medicare, to establish policy-level reimbursement, which, if in place, will allow us to recognize revenues upon submitting an invoice. We do not expect to recognize the majority of revenues in this manner until calendar 2014, at the earliest.

Since our inception, we have generated significant net losses. As of November 30, 2012, we had an accumulated deficit of $4,621,250. We incurred net losses of $556,005 and $381,222 in the three months ended November 30, 2012 and 2011, respectively. We expect our net losses to continue for at least the next several years. We anticipate that a substantial portion of our capital resources and efforts will be focused on research and development, both to develop additional tests for breast cancer, to develop diagnostic products for other cancers, develop therapeutic products, scale up our commercial organization, and other general corporate purposes. Our financial results will be limited by a number of factors, including establishment of coverage policies by third-party insurers and government payors, our ability in the short term to collect from payors often requiring a case-by-case manual appeals process, and our ability to recognize revenues other than from cash collections on tests billed until such time as reimbursement policies or contracts are in effect. Until we receive routine reimbursement and are able to record revenues as tests are processed and reports delivered, we are likely to continue reporting net losses.

Critical Accounting Policies and Significant Judgments and Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from those estimates under different assumptions or conditions.

Our significant accounting policies are described in Note 2 to our consolidated financial statements included in this Form 10-Q. We believe the following critical accounting policies reflect our more significant estimates and assumptions used in the preparation of our financial statements.

Revenue Recognition

We have generated no revenues since our inception. Product revenues for our first product, the MetaSite *Breast* test, are expected to be generated from the projected commercial launch in 2013, and are expected to be recognized on a cash basis because we will have limited collection experience and a limited number of contracts. In accordance with our policy, revenues for tests performed will be recognized on an accrual basis when the related costs are incurred, provided there is a contract or coverage policy in place and the following criteria are met:

- persuasive evidence that an arrangement exists;
- delivery has occurred or services rendered;
- the fee is fixed and determinable; and
- collectability is reasonably assured.

Determination of the last two criteria will be based on management's judgment regarding the nature of the fee charged for products or services delivered and the collectability of those fees.

We expect to generally bill third-party payors for the MetaSite *Breast* test upon generation and delivery of a Metastasis Score report to the physician. Accordingly, we take assignment of benefits and the risk of collection with the third-party payor. We usually bill the patient directly for amounts owed after multiple requests for payment have been denied or only partially paid by the insurance carrier. As a new test, the MetaSite *Breast* test may be considered investigational by payors and not covered under their reimbursement policies. Consequently, we expect to pursue case-by-case reimbursement where policies are not in place or payment history has not been established.

Contract revenues are expected to be derived from studies conducted with biopharmaceutical and pharmaceutical companies and will be recognized on a contract specific basis. Under certain contracts, our input, measured in terms of full-time equivalent level of effort or running a set of assays through our laboratory under a contractual protocol, will trigger payment obligations and revenues will be recognized as costs are incurred or assays are processed. Certain contracts may have payment obligations that are triggered as milestones are complete, such as completion of a successful set of experiments. In these cases, revenues are recognized when the milestones are achieved.

Clinical Collaborator Costs

We expect to enter into collaboration and clinical trial agreements with clinical collaborators and record these costs as research and development expenses. We plan to record accruals for estimated study costs comprised of work performed by our collaborators under contract terms. All clinical collaborators will be expected to enter into agreements with us, which specify work content and payment terms.

Financial Operations Overview

Revenues

We currently do not have any revenues. We expect to derive our revenues from product sales and contract research arrangements and operate in one industry segment. Initially, our product revenues will be derived solely from the sale of the MetaSite *Breast* test. Payors will be generally billed upon generation and delivery of a MetaSite *Breast* Metastasis Score report to the physician. Product revenues will be recorded on a cash basis unless a contract or policy is in place with the payor at the time of billing and collectability is reasonably assured. Initially, all product revenues recognized will probably reflect cash collections. Contract revenues are derived from studies conducted with biopharmaceutical and pharmaceutical companies will be recorded on an accrual basis upon completion of the contractual obligation.

Cost of Product Revenues

Cost of product revenues represents the cost of materials, direct labor, costs associated with processing tissue samples including histopathology, anatomical pathology, paraffin extraction, and quality control analyses, license fees and delivery charges necessary to render an individualized test result. Costs associated with performing our test will be recorded as tests are processed. License fees to third-party vendors would be recorded at the time product revenues are recognized or in accordance with other contractual obligations. We expect that license fees will represent a significant component of our cost of product revenues and are expected to remain so for the foreseeable future.

General and Administrative Expenses

General and administrative expenses from our inception through November 30, 2012 were $2,145,187. Our general and administrative expenses consist primarily of personnel related costs, legal costs, including intellectual property, accounting costs and other professional and administrative costs.

Research and Development Expenses

Research and development expenses from our inception through November 30, 2012 were $1,402,923, and substantially all of these expenses were focused on the research and development of the MetaSite *Breast* test. During this time, the MetaSite *Breast* test was not the only product under development. Research and development expenses represent costs incurred both to develop our MenaCalc technology in breast, lung, and prostate cancers and to carry out our clinical studies to validate our MetaSite *Breast* test.

We charge all research and development expenses to operations as they are incurred. All potential future product programs, apart from the MetaSite *Breast* test for breast cancer metastasis, are in the clinical research phase, and the earliest we expect another cancer program to reach the clinical development stage is calendar year 2013. However, the expected time frame that a product related to one of these other cancers can be brought to market is uncertain given the technical challenges and clinical variables that exist between different types of cancers.

We do not record or maintain information regarding costs incurred in research and development on a program or project specific basis. Our research and development staff working under sponsored research agreements and consulting agreements and associated infrastructure resources are deployed across several programs. Many of our costs are thus not attributable to individual programs. We believe that allocating costs on the basis of time incurred by our employees does not accurately reflect the actual costs of a project.

As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development programs or when, if ever, and to what extent we will receive cash inflows from the commercialization and sale of a product.

Selling and Marketing Expenses

Our selling and marketing expenses that we expect to incur coincident with the launch of the MetaSite *Breast* test will consist primarily of personnel costs and education and promotional expenses. We expect these expenses will include the costs of educating physicians, laboratory personnel and other healthcare professionals regarding our technologies, how our MetaSite *Breast* test was developed and validated and the value of the quantitative information that the MetaSite *Breast* provides. Selling and marketing expenses will also include the costs of sponsoring continuing medical education, medical meeting participation and dissemination of our scientific and economic publications related to the MetaSite *Breast* test. Sales and marketing expenses from our inception through November 30, 2012 were $0.

Results of Operations

Comparison of the Three Months Ended November 30, 2012 and November 30, 2011

Revenues. There were no revenues for the three months ended November 30, 2012 and November 30, 2011, respectively, because we have not yet commercialized the MetaSite *Breast* test or any of our other diagnostic tests.

Cost of Product Revenues. No cost of product revenues were recorded in the three months ended November 30, 2012 and November 30, 2011, respectively, because we have not yet commercialized the MetaSite *Breast* test or any of our other diagnostic tests.

General and Administrative Expenses. General and administrative expenses totaled $364,110 for the three months ended November 30, 2012 as compared to $205,267 for the three months ended November 30, 2011. This represents an increase of $158,843 for the three months ended November 30, 2012 over the three months ended November 30, 2011. This increase was due in part to increases in costs for employee salary, legal, including intellectual property, accounting and other professional costs.

Research and Development Expenses. Research and development expenses were $45,000 for the three months ended November 30, 2012 as compared to $91,000 for the three months ended November 30, 2011. This represents a decrease of $46,000 for the three months ended November 30, 2012 over the three months ended November 30, 2011. This decrease resulted primarily from the fact that payments were made during the three months ended November 30, 2011 for the ongoing MetaSite *Breast* test study pursuant to the Sponsored Research Agreement.

Selling and Marketing Expenses. There were no selling and marketing expenses recorded for the three months ended November 30, 2012 and November 30, 2011, respectively, because we have not yet commercialized the MetaSite *Breast* test or any of our other diagnostic tests.

Warrant Expense. Warrant expenses were $149,995 for the three months ended November 30, 2012 as compared to $84,792 for the three months ended November 30, 2011.

Stock-based Compensation. Stock-based compensation was $5,806 for the three months ended November 30, 2012 as compared to $0 for the three months ended November 30, 2011.

Interest Income and Other Income/ Expense. We recorded interest income of $0 during the three months ended November 30, 2012 and $0 during the three months ended November 30, 2011.

Interest Expense. We made no interest payments on borrowings during the three months ended November 30, 2012 and November 30, 2011, respectively.

Net Loss. As a result of the factors described above, we had a net loss of $556,005 for the three months ended November 30, 2012 as compared to $381,222 for the three months ended November 30, 2011.

Liquidity and Capital Resources

Since our inception, we have incurred significant losses and, as of November 30, 2012, we had an accumulated deficit of $4,621,250. We have not yet achieved profitability and anticipate that we will continue to incur net losses for the foreseeable future. We expect that our research and development, general and administrative and selling and marketing expenses will continue to grow and, as a result, we will need to generate significant product revenues to achieve profitability. We may never achieve profitability.

Sources of Liquidity

Since our inception, substantially all of our operations have been financed through the sale of our common stock. Through November 30, 2012, we had received net proceeds of approximately $4.3 million through the sale of common stock to investors. As of November 30, 2012, we had cash and cash equivalents of $717,191 and no debt. As a result of the most recent sale of shares of common stock through November 30, 2012, we have issued and outstanding warrants to purchase 2,653,374 shares of our common stock at a weighted average exercise price of $1.07, which will result in proceeds to us of approximately $2.84 million if all outstanding warrants are exercised for cash.

Cash Flows

As of November 30, 2012, we had $717,191 in cash and cash equivalents, including subscription receivables, compared to $1,743,340 on February 29, 2012.

Net cash used in operating activities was $1,865,917 for the nine months ended November 30, 2012, compared to $847,378 for the nine months ended November 30, 2011. The increase in cash used of $1,018,539 was primarily due to professional fees and other public company expenses.

Net cash used in investing activities was $290,507 for the nine months ended November 30, 2012, compared to $0 for the nine months ended November 30, 2011. This increase was attributed to a $250,275 increase in cash paid for certificates of deposits and $40,232 for the purchase of equipment. We expect amounts used in investing activities to increase in fiscal year 2013 and beyond as we grow our corporate operations, expand research and development activities and establish and add capacity in our commercial laboratory.

Net cash provided by financing activities during the nine months ended November 30, 2012 was $1,745,000, compared to $697,643 for the nine months ended November 30, 2011. Financing activities consisted primarily of the sale of our common stock and common stock purchase warrants for the nine months ended November 30, 2012 and November 30, 2011, respectively.

Contractual Obligations

As of November 30, 2012, we had the following contractual commitments:

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
	(In thousands)				
Sponsored Research Agreement (500 Patent Trial)	$ 179	$ 179	$ ---	$ —	$ —
License Agreement	$ 315	$ 30	$ 110	$ 175	(1)
Second License Agreement	$ 309	$ 12	$ 72	$ 125	100 (2)
Third License Agreement	$ 309	$ 12	$ 72	$ 125	100 (3)

(1) Amount of additional payments depends on several factors, including the duration of the License Agreement, which depends on expiration of the last patent to be issued pursuant to the License Agreement. That duration is uncertain because the last patent has not yet been issued.

(2) Amount of additional payments depends on several factors, including the duration of the Second License Agreement, which depends on expiration of the last patent to be issued pursuant to the Second License Agreement. That duration is uncertain because the last patent has not yet been issued.

(3) Amount of additional payments depends on several factors, including the duration of the Third License Agreement, which depends on expiration of the last patent to be issued pursuant to the Third License Agreement. That duration is uncertain because the last patent has not yet been issued.

We are required to make a series of annual minimum royalty or “license maintenance” payments under the License Agreement beginning on the first anniversary date, or August 28, 2011. The initial payment of $30,000 was made in August 2011. For a period of seven years on each anniversary of this first payment, we are required to make additional payments in amounts that gradually increase beginning in year five. We are required to make additional payments of $30,000 in each of 2012, 2013, and 2014 and $50,000 in 2015, $75,000 in 2016 and $100,000 in 2017 and each year the license is in effect thereafter.

Pursuant to the Second License Agreement, we paid a license signing fee of $15,000 in connection with entering into the Second License Agreement and are required to make a series of annual minimum royalty or “license maintenance” payments beginning on the first anniversary date of the effective date, or January 3, 2013. For a period of seven years on each anniversary, we are required to make additional payments in amounts that gradually increase beginning in year three. The payments are $12,000 each for the first and second anniversary in 2013 and 2014, respectively. We are required to make additional payments of $30,000 in each of 2015, 2016, $50,000 in 2017, $75,000 in 2018 and $100,000 in 2019 and each year the license is in effect thereafter.

Pursuant to the Third License Agreement, we paid a license signing fee of $15,000 in connection with entering into the Third License Agreement and are required to make a series of annual minimum royalty or "license maintenance" payments beginning on the first anniversary date of the effective date, or January 3, 2013. For a period of seven years on each anniversary, we are required to make additional payments in amounts that gradually increase beginning in year three. The payments are $12,000 each for the first and second anniversary in 2013 and 2014, respectively. We are required to make additional payments of $30,000 in each of 2015, 2016, $50,000 in 2017, $75,000 in 2018 and $100,000 in 2019 and each year the license is in effect thereafter.

Beginning in calendar 2013, we intend to enter into arrangements for the acquisition of laboratory equipment, computer hardware and software, leasehold improvements and office equipment. We cannot at this time provide assurances that we will be able to enter into agreements with vendors on terms commercially favorable to us or that we will be able to enter into such arrangements without securing additional financing.

We currently sublease administrative and office space under a sublease on a month-to-month basis at a cost of $1,200 per month.

Operating Capital and Capital Expenditure Requirements

We expect to continue to incur substantial operating losses in the future and to make capital expenditures to keep pace with the expansion of our research and development programs and to scale up our commercial operations. It may take several years to move any one of a number of product candidates in clinical research through the development and validation phases to commercialization. We expect that the remainder of our existing cash and cash equivalents will be used to fund working capital and for capital expenditures and other general corporate purposes, such as licensing technology rights, partnering arrangements for the processing of tests outside the United States or reduction of contractual obligations. A portion of our existing cash and cash equivalents may also be used to acquire or invest in complementary businesses, technologies, services or products. We have no current plans, agreements or commitments with respect to any such acquisition or investment, and we are not currently engaged in any negotiations with respect to any such transaction.

The amount and timing of actual expenditures may vary significantly depending upon a number of factors, such as the progress of our product development, regulatory requirements, commercialization efforts, the amount of cash used by operations and progress in reimbursement. We expect that we will receive limited payments for the MetaSite *Breast* test billings from the beginning of our marketing efforts into the foreseeable future. As reimbursement contracts with third-party payors are put into place, we expect an increase in the number and level of payments received for the MetaSite *Breast* test billings.

Because we anticipate additional net losses in the near future, the Company may be required to raise additional capital through debt or equity financings to fund its operations. The Company cannot make any assurances that additional financings will be completed on a timely basis, on acceptable terms or at all. If the Company is unable to complete a debt or equity offering, or otherwise obtain sufficient financing when and if needed, it would negatively impact our business and operations, which could cause the price of our common stock to decline.

Our future funding requirements will depend on many factors, including the following:

- the rate of progress in establishing reimbursement arrangements with third-party payors;
- the cost of expanding our commercial and laboratory operations, including our selling and marketing efforts;
- the rate of progress and cost of research and development activities associated with expansion of products for breast cancer;
- the rate of progress and cost of research and development activities associated with products in the research phase focused on cancer, other than breast cancer;
- the cost of acquiring or achieving access to tissue samples and technologies;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the effect of competing technological and market developments;
- the cost and delays in product development as a result of any changes in regulatory oversight applicable to our products; and
- the economic and other terms and timing of any collaborations, licensing or other arrangements into which we may enter.

Until we can generate a sufficient amount of product revenues to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through public or private equity offerings, debt financings, borrowings or strategic collaborations. The issuance of equity securities may result in dilution to stockholders. We do not know whether additional funding will be available on acceptable terms, or at all. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of or eliminate one or more research and development programs or selling and marketing initiatives. In addition, we may have to work with a partner on one or more of our product development programs or market development programs, which would lower the economic value of those programs to our company.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

Not applicable

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness, as of November 30, 2012, of the design and operation of our disclosure controls and procedures, as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

None

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

There have been no material changes in the Company's risk factors from those previously disclosed in the Company's Annual Report on Form 10-K, as amended, initially filed with the SEC on June 13, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

None

Item 6. Exhibits

(b) Exhibits

Exhibit No.	Description
31.1	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

**Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

METASTAT, INC.

Date: January 14, 2013

By: /s/ Warren C. Lau
Warren C. Lau, President and Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT INDEX

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Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Oscar L. Bronsther, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MetaStat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchanged Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Oscar L. Bronsther
Oscar L. Bronsther M.D., F.A.C.S
Chief Executive Officer
(Principal Executive Officer)

January 14, 2013

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Warren C. Lau, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MetaStat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect our ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Warren C. Lau
Warren C. Lau
Chief Financial Officer
(Principal Financial Officer)

January 14, 2013

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of MetaStat, Inc. (the "Company") on Form 10-Q for the period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Oscar L. Bronsther the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Oscar L. Bronsther
Oscar L. Bronsther M.D., F.A.C.S
Chief Executive Officer
(Principal Executive Officer)

January 14, 2013

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of MetaStat, Inc. (the "Company") on Form 10-Q for the period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Warren C. Lau, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Warren C. Lau
Warren C. Lau
Chief Financial Officer
(Principal Financial Officer)

January 14, 2013

STOCK OPTIONS

Stock Options

Note 4. STOCK OPTIONS

9 Months Ended
Nov. 30, 2012

During January 2012, the Company issued options to purchase 1,116,500 shares of common stock at $0.68 per share to its President, members of its scientific advisory board and several consultants involved in the Company' s ongoing research related to cancer. All of the options except for 220,000 vest immediately and expire on January 6, 2022. These options have a fair value of $611,250, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 1.98%; (2) an expected term of 10 years; (3) an expected volatility of 403%; and (4) zero expected dividends.

The following table summarizes common stock options issued and outstanding:

	Options	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	1,116,500	$ 0.68	$ 2,052,976	9.86
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at November 30, 2012	1,116,500	$ 0.68	$ 2,678,905	9.11

As of November 30, 2012, 1,116,500 options were exercisable at $0.68 per share with a weighted average life of 9.11 years.

EQUITY

Equity [Abstract]
Note 3. EQUITY

9 Months Ended
Nov. 30, 2012

During the nine months ended November 30, 2012, the Company sold 880,000 shares of common stock for total proceeds of $880,000, of which the Company received $880,000.

On May 22, 2012, the Company issued 100,000 shares to two consultants vesting over a period of ten years or upon the listing of the Company on a national exchange. The Company valued the shares for a total fair value of $100,000 on the grant date and has amortized the expense each quarter based upon the vested portion. As of November 30, 2012, the Company has recognized $5,259 in stock compensation expense.

May 2012 Private Placement

On May 1, 2012, we entered into a securities purchase agreement with certain institutional and accredited investors for the issuance and sale in a private placement consisting of, in the aggregate, (a) 880,000 shares of common stock, at a price per share of $1.00 and (b) four-year warrants to purchase up to 220,000 shares of common stock at an exercise price of $1.40 per share, expiring on May 1, 2016, for aggregate gross proceeds of $880,000 (the “May 2012 Private Placement”). As of November 30, 2012, we have closed on the full amount of $880,000.

In connection with the May 2012 Private Placement, we also entered into a registration rights agreement with the investors whereby we agreed to file a registration statement with the SEC to register for resale the shares of common stock and the shares of common stock underlying the warrants within 120 calendar days of the closing date, and to have the registration statement declared effective within 180 calendar days of the closing date or within 270 calendar days of the closing date in the event of a full review of the registration statement by the SEC.

Consolidated Balance Sheets (Unaudited) (USD $)	Nov. 30, 2012	Feb. 29, 2012
ASSETS		
Cash	$ 466,916	$ 878,340
Certificate of deposit	250,275	0
Subscription receivable	0	865,000
Total Current Assets	717,191	1,743,340
EQUIPMENT (net of accumulated depreciation of $9,484 and $1,271, respectively)	51,227	19,208
TOTAL ASSETS	768,418	1,762,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	41,825	291,859
Accrued liabilities	0	0
TOTAL LIABILITIES	41,825	291,859
STOCKHOLDERS' EQUITY		
Preferred stock (50,000,000 shares authorized; none shares issued and outstanding respectively)	0	0
Common stock (Common Stock, $0.0001 par value; 150,000,000 shares authorized; 21,054,418 and 20,074,422 shares issued and outstanding respectively)	2,106	2,008
Paid-in-capital	5,345,737	4,310,581
Accumulated deficit as a development stage company	(4,621,250)	(2,841,900)
Total Equity	726,593	1,470,689
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 768,418	$ 1,762,548

DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description Of Business And Basis Of Presentation

Note 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

9 Months Ended

Nov. 30, 2012

MetaStat, Inc. (“we,” “us,” “our,” the “Company,” or “MetaStat”) is a life science company focused on understanding and treating systemic metastasis. Our mission is to become an industry leader in the emerging field of personalized cancer therapy.

Basis of Presentation

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’ s most recent Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal period, as reported in the Form 10-K, have been omitted.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary Of Significant Accounting Policies

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9 Months Ended

Nov. 30, 2012

Principles of Consolidation

The consolidated financial statements include the accounts of MetaStat Inc. and its controlled subsidiaries. Equity investments in which we exercise significant influence, but do not control and are not the primary beneficiary, are accounted for using the equity method of accounting. Investments in which we do not exercise significant influence over the investee are accounted for using the cost method of accounting. Intercompany transactions are eliminated.

Consolidated Balance Sheets (Unaudited) (Parenthetical) (USD $)	Nov. 30, 2012	Feb. 29, 2012
STOCKHOLDERS' EQUITY		
Preferred stock, shares authorized	50,000,000	50,000,000
Preferred stock, shares issued	0	0
Preferred stock, shares outstanding	0	0
Accumulated depreciation	$ 9,484	$ 1,271
Common stock, par value	$ 0.0001	$ 0.0001
Common stock, shares authorized	150,000,000	150,000,000
Common stock, shares issued	21,054,418	20,074,422
Common stock, shares outstanding	51,054,418	20,074,422

WARRANTS (Details) (USD $)	9 Months Ended Nov. 30, 2012	12 Months Ended Feb. 29, 2012	Jan. 31, 2012
Options Outstanding			
Outstanding at February 29, 2012	1,116,500		
Granted in May 2012 Private Placement			
Outstanding at November 30, 2012	1,116,500		
Weighted Average Exercise Price			
Outstanding at February 29, 2012	$ 0.68		
Granted in May 2012 Private Placement			
Outstanding at November 30, 2012	$ 0.68		
Outstanding at February 29, 2012	$ 2,052,976		
Granted in May 2012 Private Placement			
Outstanding at November 30, 2012	2,974,750		
Weighted Average Remaining Contractual Term			
Outstanding at February 29, 2012	9 years 4 months 10 days		
Granted in May 2012 Private Placement	0 years		
WarrantMember			
Options Outstanding			
Outstanding at February 29, 2012	2,283,372		
Granted in May 2012 Private Placement	370,000	1,497,214	
Outstanding at November 30, 2012	2,653,374	2,283,372	
Weighted Average Exercise Price			
Outstanding at February 29, 2012	$ 1.01		$ 0.91
Granted in May 2012 Private Placement	$ 1.44		
Outstanding at November 30, 2012	$ 1.07	$ 1.01	$ 0.91
Outstanding at February 29, 2012	2,283,372		
Granted in May 2012 Private Placement	824,900		
Outstanding at November 30, 2012	$ 6,901,111	$ 2,283,372	
Weighted Average Remaining Contractual Term			
Outstanding at February 29, 2012		4 years 9 months 27 days	
Outstanding at November 30, 2012	4 years 3 months 7 days		

Document and Entity Information (USD $)	9 Months Ended Nov. 30, 2012	Jan. 12, 2013
Document And Entity Information		
Entity Registrant Name	MetaStat, Inc.	
Entity Central Index Key	0001404943	
Document Type	10-Q	
Document Period End Date	Nov. 30, 2012	
Amendment Flag	false	
Current Fiscal Year End Date	--02-29	
Is Entity a Well-known Seasoned Issuer?	No	
Is Entity a Voluntary Filer?	No	
Is Entity's Reporting Status Current?	Yes	
Entity Filer Category	Smaller Reporting Company	
Entity Public Float		$ 2,105
Entity Common Stock, Shares Outstanding		21,054,418
Document Fiscal Period Focus	Q3	
Document Fiscal Year Focus	2013	

WARRANTS (Details 1) (USD $)	Nov. 30, 2012	Feb. 29, 2012
Exercise prices	$ 0.68	$ 0.68
Number of shares	1,116,500	1,116,500
WarrantExercisableOneMember		
Exercise prices	$ 0.68	
Number of shares	220,000	
Weighted average remaining life (years)	4 years 2 months 15 days	
Exercisable number of shares	220,000	
WarrantExercisableTwoMember		
Exercise prices	$ 0.91	
Number of shares	1,497,122	
Weighted average remaining life (years)	4 years 5 months 1 day	
Exercisable number of shares	1,497,124	
WarrantExercisableThreeMember		
Exercise prices	$ 1.40	
Number of shares	216,250	
Weighted average remaining life (years)	3 years 5 months 27 days	
Exercisable number of shares	216,250	
WarrantExercisableFourMember		
Exercise prices	$ 1.40	
Number of shares	350,000	
Weighted average remaining life (years)	4 years 6 months	
Exercisable number of shares	350,000	
WarrantExercisableFiveMember		
Exercise prices	$ 1.40	
Number of shares	220,000	
Weighted average remaining life (years)	3 years 8 months 1 day	
Exercisable number of shares	220,000	
WarrantExercisableSixMember		
Exercise prices	$ 1.50	
Number of shares	150,000	
Weighted average remaining life (years)	3 years 7 months 10 days	
Exercisable number of shares	150,000	

Consolidated Statements of Expenses (Unaudited) (USD $)	3 Months Ended		9 Months Ended		40 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Revenue					
Interest income	$ 94		$ 442		$ 442
Total revenue	94		442		442
OPERATING EXPENSES					
General & administrative	364,110	205,267	1,237,808	575,895	2,145,187
Research & development	45,000	91,000	378,517	882,554	1,402,923
Depreciation	2,800	163	8,213	820	9,484
Warrant Expense	149,995	84,792	149,995	84,792	299,994
Stock-based compensation	(5,806)		5,259		764,104
Total Operating Expenses	556,099	381,222	1,779,792	1,544,061	4,621,692
NET LOSS	$ (556,005)	$ (381,222)	$ (1,779,350)	$ (1,544,061)	$ (4,621,250)
Basic & Diluted Net Loss Per Share	$ (0.03)	$ (0.02)	$ (0.09)	$ (0.10)	
Weighted shares outstanding	21,054,418	16,179,846	20,825,840	15,921,662	

STOCK OPTIONS (Tables)

Stock Options Tables

Common stock options issued and outstanding

9 Months Ended
Nov. 30, 2012

The following table summarizes common stock options issued and outstanding:

	Options	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	1,116,500	$ 0.68	$2,052,976	9.86
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at November 30, 2012	1,116,500	$ 0.68	$2,678,905	9.11

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies)	9 Months Ended Nov. 30, 2012
Summary Of Significant Accounting Policies Policies	
Basis of Presentation	The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company' s most recent Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal period, as reported in the Form 10-K, have been omitted.
Principles of Consolidation	The consolidated financial statements include the accounts of MetaStat Inc. and its controlled subsidiaries. Equity investments in which we exercise significant influence, but do not control and are not the primary beneficiary, are accounted for using the equity method of accounting. Investments in which we do not exercise significant influence over the investee are accounted for using the cost method of accounting. Intercompany transactions are eliminated.

WARRANTS (Details Narrative) (USD $)	9 Months Ended Nov. 30, 2012	12 Months Ended Feb. 29, 2012	Jan. 31, 2012
Granted Warrants			
Exercise prices	$ 0.68	$ 0.68	
Number of shares	1,116,500	1,116,500	
Fair value	$ 2,974,750	$ 2,052,976	
WarrantMember			
Granted Warrants	370,000	1,497,214	
Exercise prices	$ 1.07	$ 1.01	$ 0.91
Number of shares	2,653,374	2,283,372	
Fair value	6,901,111	2,283,372	
WarrantExercisableFourMember			
Exercise prices	$ 1.40		
Number of shares	350,000		
WarrantExercisableThreeMember			
Exercise prices	$ 1.40		
Number of shares	216,250		
WarrantExercisableFiveMember			
Exercise prices	$ 1.40		
Number of shares	220,000		
WarrantExercisableSixMember			
Exercise prices	$ 1.50		
Number of shares	150,000		
Fair value	$ 149,995		

STOCK OPTIONS (Details) (USD $)	9 Months Ended Nov. 30, 2012
Options Outstanding	
Outstanding at February 29, 2012	1,116,500
Granted	
Exercised	
Forfeited	
Expired	
Outstanding at November 30, 2012	1,116,500
Weighted Average Exercise Price	
Outstanding at February 29, 2012	$ 0.68
Granted	
Exercised	
Forfeited	
Expired	
Outstanding at November 30, 2012	$ 0.68
Outstanding at February 29, 2012	$ 2,052,976
Granted	
Exercised	
Forfeited	
Expired	
Outstanding at November 30, 2012	$ 2,974,750
Weighted Average Remaining Contractual Term	
Outstanding at February 29, 2012	9 years 10 months 10 days
Granted	0 years
Exercised	0 years
Forfeited	0 years
Expired	0 years
Outstanding at November 30, 2012	9 years 4 months 10 days

WARRANTS (Tables)

9 Months Ended
Nov. 30, 2012

Warrants Tables

Common stock purchase warrants issued and outstanding

The following table summarizes common stock purchase warrants issued and outstanding:

	Warrants	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	2,283,372	$ 1.01	$2,283,372	4.83
Granted	370,000	$ 1.44	$ 824,900	-
Outstanding at November 30, 2012	2,653,374	$ 1.07	$6,901,111	4.12

Warrants exercisable

Warrants exercisable at November 30, 2012 are:

Exercise prices	Number of shares	Weighted average remaining life (years)	Exercisable number of shares
$ 0.68	220,000	3.96	220,000
$ 0.91	1,497,122	4.17	1,497,124
$ 1.40	216,250	3.24	216,250
$ 1.40	350,000	4.25	350,000
$ 1.40	220,000	3.42	220,000
$ 1.50	150,000	3.67	150,000

EQUITY (Details Narrative) (USD $)	9 Months Ended		40 Months Ended	9 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Sep. 30, 2012 Consultant1Member
Common stock issued	880,000			100,000
Proceeds from the issue of sale of common stock	$ 880,000			
Cash received from issue of common stock	880,000	697,643	3,418,755	
Stock compensation expense	11,075		11,075	
Subscription received for the issuance and sale in a private placement	855,000		855,000	
Stock vesting period				10 years
Fair value				100,000
Stock compensation expense				$ 5,259

STOCK OPTIONS (Details Narrative) (USD $)	Nov. 30, 2012	Feb. 29, 2012
Stock Options Details Narrative		
Outstanding at August 31, 2012	1,116,500	1,116,500
Outstanding at August 31, 2012	$ 0.68	$ 0.68
Restricted options	220,000	
Restricted options fair value	$ 611,250	
Outstanding at August 31, 2012	9 years 4 months 10 days	

Consolidated Statements of Cash Flows (Unaudited) (USD $)	9 Months Ended		40 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (1,779,350)	$ (1,544,061)	$ (4,621,250)
Shares issued for services	5,259	568,559	764,094
Depreciation	8,213	820	9,484
Warrant expense	149,995	84,792	299,994
Accounts receivable		809	
Accounts payable	(250,034)	41,703	41,825
NET CASH USED IN OPERATING ACTIVITIES	(1,865,917)	(847,378)	(3,505,853)
CASH FLOWS FROM INVESTING ACTIVITIES			
Certificate of deposit	250,275		250,275
Purchase of equipment	40,232		60,711
NET CASH USED IN INVESTING ACTIVITIES	(290,507)		(310,986)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from subscription receivable	865,000		865,000
Proceeds from sale of common stock	880,000	697,643	3,418,755
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,745,000	697,643	4,283,755
NET INCREASE (DECREASE) IN CASH	(411,424)	(149,735)	466,916
Cash at the beginning of the year	878,340	242,256	
Cash at the end of the year	466,916	92,521	466,916
SUPPLEMENTAL DISCLOSURES:			
Interest Paid			
Income taxes paid			

WARRANTS

Warrants

Note 5. WARRANTS

9 Months Ended
Nov. 30, 2012

On November 14, 2011, the Company entered into consulting agreement with Burnham Hill Advisors and warrants were issued to purchase 220,000 shares of common stock at $0.68 per share. The fair value of these warrants was determined to be $149,999, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 0.91%; (2) an expected term of 5 years; (3) an expected volatility of 403%; and (4) zero expected dividends.

During the year ended February 29, 2012, the Company granted 1,497,214 warrants together with shares of common stock issued on January 31, 2012 exercisable at $0.91 per share and expiring on January 31, 2017. The Company also granted 216,250 warrants on February 27, 2012 exercisable at $1.40 per share and expiring on February 27, 2016.

Immediately prior to the share exchange transaction, Photovoltaic Solar Cells, Inc. issued an aggregate of 350,000 warrants exercisable at $1.40 per share.

On October 14, 2012, the Company entered into consulting agreement with Crystal Research Associates and warrants were issued to purchase 150,000 shares of common stock at $1.50 per share. The fair value of these warrants was determined to be $149,995, as calculated using the Black-Scholes model. Assumptions used in the Black-Scholes model included: (1) a discount rate of 0.63%; (2) an expected term of 4 years; (3) an expected volatility of 420%; and (4) zero expected dividends.

For the nine months ended November 30, 2012, the Company issued 220,000 warrants in connection with the May 2012 Private Placement referenced in Note 2. These warrants were issued on May 1, 2012, are exercisable at $1.40 per share and expire on May 1, 2016. These warrants vest immediately.

The following table summarizes common stock purchase warrants issued and outstanding:

	Warrants	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at February 29, 2012	2,283,372	$ 1.01	$ 2,283,372	4.83
Granted	370,000	$ 1.44	$ 824,900	-
Outstanding at November 30, 2012	2,653,374	$ 1.07	$ 6,901,111	4.12

Warrants exercisable at November 30, 2012 are:

Exercise prices	Number of shares	Weighted average remaining life (years)	Exercisable number of shares
$ 0.68	220,000	3.96	220,000
$ 0.91	1,497,122	4.17	1,497,124
$ 1.40	216,250	3.24	216,250
$ 1.40	350,000	4.25	350,000
$ 1.40	220,000	3.42	220,000

$	1.50	150,000	3.67	150,000