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MetaStat, Inc.

MTST-OTC.BB

QUARTERLY UPDATE: APRIL 18, 2013

Company Description

MetaStat, Inc. ("MetaStat" or "the Company") is developing next-generation diagnostic and therapeutic products for metastatic cancer—cancer that has spread from a primary tumor to other areas of the body. The Company's pipeline is based on over 15 years of research and collaboration by the Albert Einstein College of Medicine of Yeshiva University, Massachusetts Institute of Technology (MIT), Cornell University, and Italy's IFO-Regina Elena Cancer Institute. One of the core findings of this research was the discovery of a unique three-cell structure in breast tumor tissue that scientists have shown is correlated with the probability of a patient developing a metastatic tumor. Having exclusively licensed this and other technologies, MetaStat is nearing commercialization of a clinical diagnostic test called MetaSite™ *Breast*, designed to predict whether a patient's breast cancer will spread through the bloodstream to other areas of the body. The Company is also advancing two additional platforms, MenaCalc™ and MenaBloc™, which expand its diagnostic capabilities in breast, lung, and prostate tumors as well as support the development of therapeutics for preventing or reducing tumor metastasis. Ultimately, MetaStat's platform technologies seek to improve diagnosis and treatment for up to 80% of all solid tumor cancers, including breast, prostate, lung, and bowel cancers as well as tumors in the pancreas, brain, liver, or head and neck.

Key Points

- MetaSite *Breast* is the Company's first product opportunity. In January 2013, MetaStat announced that it had completed a 500-patient confirmatory trial in breast cancer with MetaSite *Breast*. The Company expects data from this study to be released in mid-2013 and could begin pilot marketing the MetaSite *Breast* test as early as the first half of 2014.
- The Company is further developing multiple diagnostic candidates based on its MenaCalc platform for breast, lung, prostate, and colorectal cancer.
- Beyond its diagnostic initiatives, MetaStat is identifying potential therapeutic targets for metastatic cancer under its MenaBloc platform, and plans to begin screening candidate molecules for this platform during 2014.
- MetaStat recently appointed David Epstein, Ph.D. as advisor for its drug discovery and development initiatives. Dr. Epstein has also joined MetaStat's Board of Directors. Dr. Epstein has over 15 years of R&D experience in addition to leadership experience in both the pharmaceutical and biotech sectors. He previously served as senior vice president and chief scientific officer for OSI Pharmaceuticals (which was acquired by Astellas Pharma Inc. [4503-Toyko] in 2010 for roughly $4 billion).
- As of November 30, 2012, MetaStat had $717,191 in cash and cash equivalents. The Company subsequently raised $1.3 million in gross proceeds during a private placement with accredited investors in early 2013.

MetaStat

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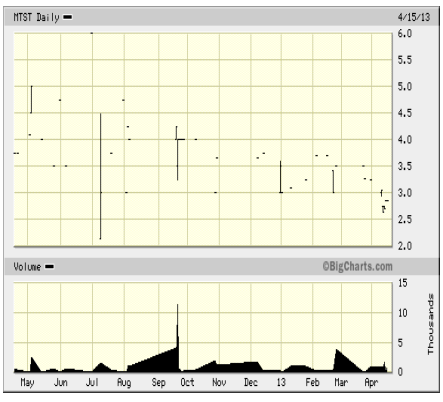
Ticker/Exchange	MTST (OTC.BB)
Recent Price (04/15/2013)	$2.85
52-week Range	$2.15 to $6.00
Shares Outstanding	~21 million
Market Capitalization	~$60 million
Average 200-day Vol.	207
Insider Ownership +>5%	30%
Institutional Ownership	26%
EPS (Qtr. ended 11/30/2012)	($0.03)
Employees	4



Recent Events and Financial Results

Recent Events

An overview of the Company's recent announcements is provided below, referring the reader to MetaStat's website for complete press releases (http://metastat.com).

- *On April 15, 2013*, MetaStat announced the appointment of David Epstein, Ph.D. as advisor for MetaStat's drug discovery and development efforts. Additionally, Dr. Epstein has joined MetaStat's Board of Directors. An overview of his experience is provided on page 8.

- *On February 26, 2013*, MetaStat announced that it was granted eligibility status by the Depository Trust Corporation (DTC) as of February 20, 2013, which the Company expects could simplify the process of trading and exchanging its common stock.

- *In January and February 2013*, the Company completed a private placement with accredited investors for total gross proceeds of roughly $1.3 million.

- *On January 7, 2013*, MetaStat announced that it completed a 500-patient trial in breast cancer. The Company expects analysis of the data to be released in mid-2013. An overview of the trial is provided on page 6.

Third Quarter 2012 Financial Results

On January 14, 2013, MetaStat released financial results for the three months ended November 30, 2012. The Company's fiscal year (FY) ends February 28.

MetaStat is a development-stage company and has not yet commercialized any products. As such, the Company reported no revenues for the three-month period ended November 30, 2012.

MetaStat's general and administrative (G&A) expenses rose to $364,110 for the third quarter FY2012, up from $205,267 for the corresponding FY2011 period due to higher costs related to employee salaries, legal fees, and accounting, among other professional expenses.

The Company reported $45,000 in research and development (R&D) expenses for the three-month period ended November 30, 2012. This represented a decrease from $91,000 in R&D costs for the equivalent FY2011 timeframe, during which time MetaStat made scheduled payments for its MetaSite *Breast* study.

During the third quarter FY2012, MetaStat had $149,995 in warrant expenses, up from $84,792 for the same three months in FY2011. As well, the Company's stock-based compensation costs increased to $5,806 for the three months in FY2012 versus $0 in the third quarter FY2011.

MetaStat reported a net loss of $556,005, or ($0.03) per share, for the quarter ended November 30, 2012, versus $381,222, or ($0.02) per share, in the same FY2011 period.

As of November 30, 2012, MetaStat had $717,191 in cash and cash equivalents. The Company subsequently entered into a private placement with accredited investors in early 2013, which raised $1.3 million in total gross proceeds. The offer included separate Convertible Note and Warrant Purchase Agreements (as summarized on page 3).

- $1,337,000 principal amount of convertible promissory notes convertible into shares of MetaStat's common stock (par value $0.0001 per share)

- Four-year warrants to purchase up to 133,700 shares of common stock at an exercise price of $3.00 per share

The Notes bear interest at 8% per annum and mature on December 31, 2013. Under the agreements, if the Company completes a qualified financing or capital raise of $3.5 million or more, the outstanding principal amount of the Notes (plus accrued and unpaid interest) automatically converts into such securities using the following formula: (the Outstanding Balance as of the closing of the Qualified Financing) x (1.15) / (the per security price of the securities sold in the Qualified Financing). After six months, Note holders also have a voluntary conversion price of $2.50 per share. For more specific details, please see MetaStat's 8-K filed with the U.S. Securities and Exchange Commission (SEC) on March 1, 2013, which is available via the following link: http://www.sec.gov/Archives/edgar/data/1404943/000141588913000322/mtst8k_feb282013.htm.

Company Background

MetaStat, Inc. ("MetaStat" or "the Company") is a life sciences company seeking to develop and commercialize new diagnostic and therapeutic products for systemic cancer metastasis—the spread of cancer from a primary tumor to other parts of the body via the bloodstream. Over 50% of all cancers are classified as epithelial solid tumor cancers, including breast, lung, prostate, and colorectal cancers (four of the five largest markets), which can result in metastatic tumors.

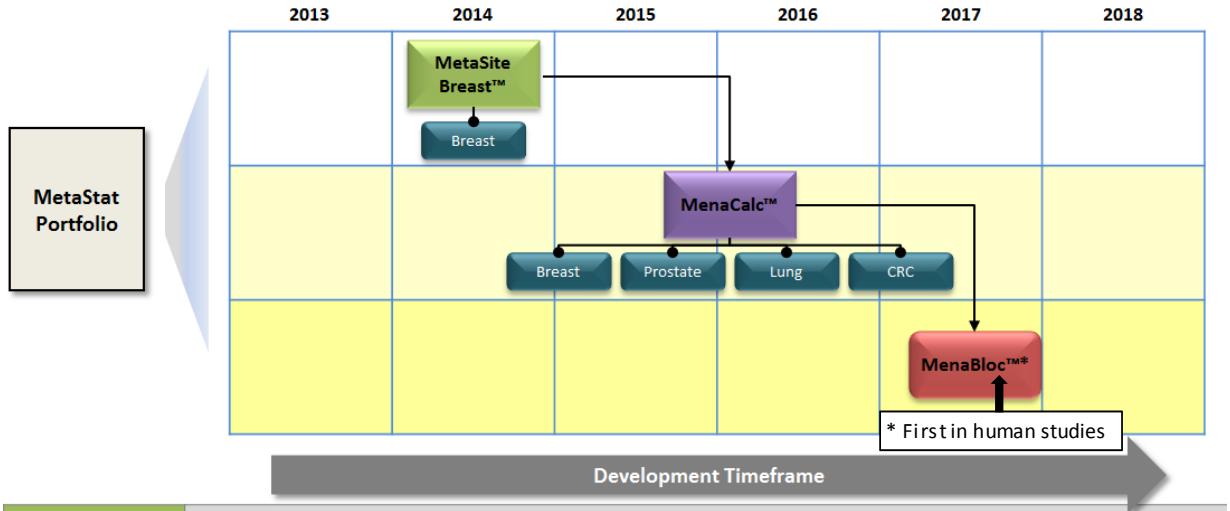
New technologies and tools have helped researchers gain an improved understanding of metastasis in recent years, revealing opportunities for new therapies and diagnostic tools. MetaStat is focused on being at the forefront of this initiative with its understanding of the central role of the mena protein in the metastatic cascade. The Company's platform technologies are based on direct microscopic observation of the mechanisms and behaviors of metastatic cells in living, functioning human-derived tumors, which the Company believes is a competitive advantage for its product candidates.

Over 15 years of research support MetaStat's licensed platform technologies, which have been developed by collaborative research teams from the Albert Einstein College of Medicine of Yeshiva University, the Massachusetts Institute of Technology (MIT), Cornell University, and Italy's IFO-Regina Elena Cancer Institute (collectively, the "Licensors"). Based on the lengthy scientific support already established for the Company's technologies/product pipeline, as well as MetaStat's own clinical work, the Company believes that its approaches to disease management for metastatic tumors could be applicable to approximately 80% of all epithelial solid tumor cancers, including prostate, lung, colorectal, head and neck, melanoma, and pancreatic cancers. MetaStat's initial focus is breast cancer, which the Company is targeting with the MetaSite™ *Breast* diagnostic test.

Currently, MetaStat's pipeline centers on three platform technologies, two of which are diagnostic and one of which is therapeutic. The Company's diagnostic platforms include MetaSite *Breast*™, a near-term prognostic test for metastatic breast cancer risk that has recently completed a 500-patient confirmatory trial, as well as the MenaCalc™ diagnostic platform for determining risk for metastatic breast, lung, prostate, and other cancers. MetaStat's sole therapeutic program encompasses the MenaBloc™ technology, which offers potential therapeutic targets for treating metastatic disease. The Company's anticipated development timeline for these three programs is overviewed in Figure 1.

Figure 1

METASTAT'S ANTICIPATED DEVELOPMENT TIMELINE



MetaSite Breast™	A diagnostic platform to predict the likelihood of cancer spreading based on the density of "MetaSites"
MenaCalc™	A diagnostic platform to predict metastasis using measurement of the relative levels of Mena protein isoforms in a tumor sample
MenaBloc™	Small molecule therapeutics to slow or potentially shut down the metastatic process

Source: MetaStat, Inc.

MetaStat's Near-Term Product Opportunity: MetaSite *Breast*

Breast cancer is one of the most commonly diagnosed cancers for females, behind only skin cancer (Source: the American Cancer Society's *Breast Cancer Facts & Figures 2013*). In 2013, more than 232,000 women could be diagnosed with invasive breast cancer in the U.S., adding to the millions of women already living with a breast cancer diagnosis. While earlier detection and improved treatments have led to lower death rates over the past two decades, breast cancer is expected to be a factor in more than 40,000 U.S. deaths in 2013. Currently, physicians use various prognostic factors to estimate the risk of cancer progression and spread, including tumor size, various characteristics of the tumor including grade, hormone receptor and HER2 status, and whether it has spread to lymph nodes. Physical signs and symptoms as well as family history are also considerations.

The limitation of current staging procedures is that they are indirect and not based on cancer's mechanism. As a result, patients can be improperly classified as "high risk," subjecting them to months of aggressive chemotherapy and radiation treatments that cause a number of side effects and can dramatically impact patients' quality of life. Similarly, patients may be incorrectly classified as "low risk," preventing them from receiving timely and necessary treatment. Furthermore, as the efficacy of cancer treatment varies from person to person, the cost of the therapy and the physical and mental burdens associated with treatment may not always be justified. Studies have shown that approximately 40% of patients develop metastatic disease (Source: Albert Einstein College of Medicine press release, March 24, 2009).

MetaStat's Approach

MetaStat's technology focuses on predicting the risk of cancer metastasis based on its underlying mechanisms. Historically, cancer cells have entered the blood vessels via unknown means. The research supporting the Company's technology has sought to identify the structural and behavioral mechanisms that allow cancer cells to move and determine how this information can be used in prognosis. To MetaStat's knowledge, its technology is the only technique to focus on such mechanistic markers. Initially, the Company anticipates that its MetaSite *Breast* test, which analyzes metastatic risk by taking mechanistic factors of metastasis into account, could be used in conjunction with existing diagnostics, including Genomic Health, Inc.'s (GHDX-NASDAQ) Onco*type* DX® Breast Cancer Assay, which largely estimate metastatic risk based on cancer cell proliferation. As further data for the MetaSite *Breast* is published and the test gains awareness in the clinical community over time, MetaStat believes that its test could ultimately be used as a standalone product—potentially becoming directly competitive to existing assays at a lower cost than currently available products.

The cornerstone of MetaStat's technology was the discovery of a three-cell structure, composed of a macrophage, a carcinoma cell expressing the mena protein, and an endothelial cell (collectively termed a "MetaSite"), that is believed to play a crucial role in allowing metastatic cells to enter into the bloodstream and spread through the blood to other organs in the body. The presence and function of the MetaSite was identified by a collaboration of scientists from MIT, the Albert Einstein College of Medicine, and Weill Cornell Medical College, who reasoned that the density of MetaSites was correlated to the probability of distant tumor metastases.

Subsequently, the team of researchers developed the MetaSite *Breast* test, a clinical laboratory assay to predict the likelihood of an early-stage breast cancer patient's tumor spreading to distant body parts. MetaSite *Breast* employs conventional immunostaining techniques to highlight these unique three-cell structures in tumor tissue samples for pathologists to clearly see and count. Each patient sample is given a Metastasis Score based on the number of MetaSites as well as an accompanying interpretation of what the score indicates in terms of the risk of developing metastasis. Greater quantities and densities of MetaSites have been shown to correlate to a higher risk of metastasis. A rating scale is used to classify each patient's test results as low, medium, or high risk. Importantly, the MetaSite *Breast* test does not require any special equipment, techniques, or procedures, and as such, is designed to be seamlessly incorporated into the standard procedures for analyzing tumor stage and grade.

MetaSite *Breast* has already been validated in two human clinical studies, both of which demonstrated a correlation between MetaSite density and metastases and supported the test's ability to predict systemic, hematogenous (resulting from blood-borne tumor cells) metastases. Importantly, the test's ability to predict distant metastasis occurred independently of conventional prognostic indicators, including tumor size, grade, lymph node metastasis, lymphovascular invasion, or hormone receptor status. An additional study (overviewed below) was recently completed, with results expected to be available in the first half of 2013.

In contrast to currently available tools that seek to provide prognostic information on the probability of cancer recurrence by genetically profiling tissue from the entire tumor, MetaStat's technology focuses specifically on the small subset of metastatic cells that are responsible for cancer's spread. MetaSite *Breast* was evaluated against Genomic Health's Onco*type* DX Breast Cancer Assay. In unpublished data, patient samples were classified in high-risk, medium-risk, and low-risk cohorts. The high-risk cohort identified by MetaSite *Breast* was 22 times more likely to experience metastasis than the low-risk group. In contrast, Onco*type* DX's high-risk group was only 4.5 times more likely to recur than the low risk group. Based on the study's outcomes, the Company believes that repeating this protocol in a larger study could demonstrate that MetaSite *Breast* supplies valuable information beyond the Onco*type* DX test and could become an important element in the clinical care and classification of breast cancer patients.

Large-Population Validation Study in Breast Cancer Patients

MetaStat announced the completion of a validation study, which included 500 patient tissue samples, in January 2013. Analysis and publication of the data from this study is expected in mid-2013. The study was performed with two sponsored research partners: the Albert Einstein College of Medicine and Weill Cornell Medical College.

The retrospective study, in which the patient follow-up time is a minimum of 10 years, was performed on previously collected human cancer tissue samples that have accompanying patient medical histories. The study was designed to further examine the relationship between the MetaSite count at initial diagnosis of invasive ductal carcinoma (the most common type of breast cancer) and the patient's risk of systemic metastasis based on the tissue sample.

MetaStat may also compare its data to tissue samples that have been tested with Onco*type* DX in order to perform a direct comparison of the two assays. MetaStat anticipates that results from its test may not correlate with Onco*type* DX results, potentially providing physicians with complementary information to Genomic Health's recurrence score.

If results demonstrate a similar predictive ability to the previous 44- and 60-patient studies, the Company anticipates that it could begin pilot marketing the MetaSite *Breast* test as early as the first half of 2014. Greater details relating to MetaStat's marketing and commercialization strategy are provided on pages 32-35 of the Company's Executive Informational Overview®, which was published on January 3, 2013, and is available at www.crystalra.com. The Company also plans to pursue publication of the data in an established scientific journal.

Planned Initiatives

Beyond the validation study, MetaStat's initiatives include the establishment of a central laboratory that meets both Clinical Laboratory Improvement Amendments (CLIA) and good laboratory practice (GLP) standards. The Company plans to initiate an additional validation study and chemotherapy benefit trial with certain identified cohort(s) in the second half of 2013.

The Company's MenaCalc™ Diagnostic Platform

A number of genes have been identified that must be up- or down-regulated in invasive tumor cells in order to cause metastasis. Several researchers behind MetaStat's technologies determined that one of the key upregulated genes encodes the protein Mena. In most individuals, Mena is only present in developing embryos where the protein supports nervous system branching, and becomes scarce and undetectable in healthy adults. However, Mena can reappear in cancer cells, where it supports cancer invasion and metastasis.

In cancer cells, Mena proteins can occur in several forms (called "isoforms" or "splice variants"). Two isoforms of Mena are up-regulated in invasive tumor cells (designated $^{++}$ and $^{+++}$) while one type ("11a") is down-regulated in these highly metastatic cells (Source: *Clinical & Experimental Metastasis* 2009; 26:125-159). The Mena^{+++} isoform is called Mena^{INV} due to its effects of increasing tumor invasion and metastasis, including metastasis to the lung (Source: *Developmental Cell* 2008; 15[6]:813-28). Two different rodent models have shown that levels of Mena^{INV} were three to four times higher in invasive cells versus primary tumor cells (Source: *Developmental Cell* 2008; 15[6]:813-28).

This research is the foundation for MetaStat's MenaCalc diagnostic technology platform, which seeks to determine individual expression levels of the Mena isoforms using a biopsy of cancer tissue. After extraction from the patient, tumor cells are evaluated for the presence and ratio of the various Mena isoforms. The relationship between these isoforms is measured via a "MenaCalc Metastasis Score," which may ultimately be used to create an individual metastatic profile as early on in disease progression as possible. Additionally, a patient's Mena isoform profile could be documented over time to identify trends and detect stability or progression of the disease as well as to detect the efficacy of various therapies in real time.

MetaStat is developing multiple product candidates based on the MenaCalc platform: (1) MenaCalc *Breast*; (2) MenaCalc *Lung*; (3) MenaCalc *Prostate*; and (4) MenaCalc *Colorectal*. The Company reports that research to date in breast cancer has illustrated a correlation between the MenaCalc *Breast* Metastasis Score and the MetaSite *Breast* Metastasis Score, which has been confirmed in an 797-patient study conducted at the Yale University School of Medicine, Albert Einstein College of Medicine, and MIT, the results of which have been published (Source: Agarwal et al., *Breast Cancer Research* 2012; 14[5]: R124). MetaStat subsequently aims to initiate a large population validation study of the MenaCalc *Breast* test with metastatic risk as primary endpoint.

Unpublished data collected in lung adenocarcinoma and prostate tumors have also shown the ability of MenaCalc to predict cancer spread. A 72-patient study has been completed in lung adenocarcinoma at the Yale University School of Medicine, Albert Einstein College of Medicine, and MIT, and was reported to predict survival in adencarcinoma of the lung (Source: MetaStat's Investor PowerPoint Presentation, December 2012). The Company now plans to complete a large-scale proof-of-concept study in adencarcinoma of the lung to confirm these findings. As well, having completed a favorable pilot study at MIT for a MenaCalc *Prostate* test, MetaStat is also planning a larger, confirmatory proof-of-concept trial for the MenaCalc *Prostate* candidate.

MetaStat has noted that there is scientific rationale for the MenaCalc diagnostic to work in colon and rectum (or "colorectal") cancers.

MenaBloc™ Platform: Potential Therapeutic Targets for Metastatic Cancer

Current treatment for metastatic cancer is similar to, but more aggressive, than that used to combat the growth of primary tumors (e.g., chemotherapy and radiation therapy). The primary goal of these treatments is to control tumor growth or to relieve symptoms. While treatments may help prolong life, metastatic disease remains the chief reason why cancer patients succumb to their disease, accounting for approximately 90% of cancer fatalities (Source: CancerQuest, Emory University's cancer education and outreach program, October 2011). Thus, there is a significant unmet need for therapies that are based on a solid understanding of the process of metastatic disease, including techniques to kill or stop the spread of metastatic cancer cells or to disrupt individual steps in the metastatic process.

MetaStat's preclinical pipeline includes screening for a therapeutic molecule designed to inhibit the Mena^{INV} protein, which the Company believes could be the first product approved to preemptively eliminate or reduce metastasis. The MenaBloc platform is based on research conducted by the Licensors. In preclinical testing, mice that were both genetically predisposed to highly metastatic breast cancer and unable to produce the Mena protein developed breast cancer tumors, but no metastatic tumors, unlike Mena-producing mice controls (Source: Roussos et al., *Breast Cancer Research* 2010, 12:R101). Greater details of the preclinical research supporting the development of a Mena inhibitor are provided on pages 19-26 of MetaStat's EIO (available at www.crystalra.com).

MetaStat intends to begin screening candidate molecules in 2013 for its MenaBloc therapeutic platform. Once identified, the Company may initiate preclinical animal trials with the candidate. MetaStat is seeking to license the technology or enter into a partnership agreement to support continued development efforts for this platform.

MetaStat Appoints David Epstein, Ph.D. to its Board of Directors and as Advisor to Lead Drug Discovery

To support the continued strengthening and advancement of its therapeutic portfolio, MetaStat appointed David Epstein, Ph.D. in April 2013 as advisor for the Company's drug discovery and development efforts. Additionally, Dr. Epstein was appointed to MetaStat's Board of Directors.

Dr. Epstein has over 15 years of research and development (R&D) experience. He has also held leadership positions in both the pharmaceutical and biotech industries. Most recently, he served as senior vice president and chief scientific officer for OSI Pharmaceuticals (now a subsidiary of Astellas Pharma Inc.), where he had strategic and operational responsibility for small molecule drug discovery and translational research encompassing OSI's portfolio of oncology R&D programs. Prior to OSI, Dr. Epstein was a cofounder and director of Archemix Corp., an aptamer therapeutics-focused discovery and development company. Aptamers are DNA or RNA molecules that have been selected from random pools based on their ability to bind other molecules. His operational and strategic efforts at Archemix facilitated the clinical development of several therapeutic aptamers currently under evaluation for the treatment of various retinal diseases.

Potential Milestones

MetaStat has identified a number of key milestones that the Company seeks to achieve in the next 12 to 24 months. These objectives are overviewed in Figure 2.

Figure 2

METASTAT HIGHLIGHTS POTENTIAL MILESTONES FOR THE NEXT 12 TO 24 MONTHS

MetaSite™ *Breast*
• Obtain results from a 500-patient large population validation study
• Publish data from the validation study in leading scientific journal
• Initiate one or more additional validation and chemotherapy benefit studies (cohorts identified)
• Set up CLIA GLP-certified central laboratory
• Commence initial pilot marketing
MenaCalc™
• Initiate a large population validation study in breast cancer with metastatic risk as the primary endpoint
• Perform a large-scale proof-of-concept study in prostate cancer
• Execute a large-scale proof-of-concept study in adenocarcinoma of the lung
MenaBloc™
• Perform a functional screening program for a small molecule mena inhibitor
• Complete medicinal chemistry and lead optimization
• Continue licensing and partnering discussions

Source: MetaStat, Inc.

Corporate Information

MetaStat, Inc. was incorporated in Texas in 2009 and re-incorporated in Delaware in 2010. In February 2012, the Company was wholly acquired by Photovoltaic Solar Cells, Inc., a blank check company with limited assets (other than cash) and operations. Photovoltaic subsequently changed its name to MetaStat, Inc. (incorporated in Nevada) and changed the name of its new Delaware subsidiary company to "MetaStat BioMedical, Inc." The Company trades as "MTST" on the Over-the-Counter Bulletin Board (OTC.BB).

In a move designed to increase the liquidity of MetaStat's common stock and enhance shareholder value, MetaStat obtained eligibility status from the Depository Trust Corporation (DTC). DTC is a subsidiary of the Depository Trust & Clearing Corporation that manages the electronic clearing and settlement of publicly traded companies. MetaStat expects DTC eligibility to simplify the process of trading and exchanging its common stock for investors.

Headquarters and Employees

MetaStat has principal executive offices in Montclair, New Jersey. The Company has four employees. MetaStat also has relationships with 19 medical doctors, scientists, and engineers—nearly half of whom are on a consulting basis. The remaining individuals are full-time researchers funded by MetaStat's R&D collaborations with the Albert Einstein College of Medicine, Weill Cornell Medical College, MIT, and Yale University. The Company is currently evaluating institutions and companies to screen for potential candidate compounds to develop a MenaBloc therapeutic, and expects this initiative to commence within 12 months.

Key Points to Consider

- MetaStat, Inc. is developing next-generation diagnostic and therapeutic products for metastatic cancer, which is the cause of up to 90% of solid tumor cancer-related deaths. The Company's pipeline is based on over 15 years of research and collaboration by the Albert Einstein College of Medicine of Yeshiva University, Massachusetts Institute of Technology (MIT), Cornell University, and Italy's IFO-Regina Elena Cancer Institute.

- MetaStat's platform technologies may improve diagnosis and treatment for up to 80% of all solid tumor cancers, including breast, prostate, lung, bowel, pancreatic, brain, liver, and head and neck cancers.

- MetaStat's initial product opportunity is MetaSite *Breast™*, a candidate designed to predict the risk of breast cancer progression. MetaSite *Breast* has been validated in two clinical studies and the Company expects it to have a low-cost and rapid path to market.

    - Pending publication of results from a recently completed 500-patient study, MetaStat believes that it could begin pilot marketing the MetaSite *Breast* diagnostic test as early as the first half of 2014.

    - The Company believes that MetaSite *Breast* could supply valuable information beyond Genomic Health's currently marketed Onco*type* DX Breast Cancer Assay. In one study, the high-risk cohort identified by MetaSite *Breast* was 22 times more likely to experience metastasis than the low-risk group, whereas Onco*type* DX's high-risk group was only 4.5 times more likely to recur than the low-risk group.

    - Breast cancer is one of the most commonly diagnosed cancers for women. In 2013, more than 232,000 women may be diagnosed with invasive breast cancer in the U.S., adding to the millions of women already living with a breast cancer diagnosis (Source: *Breast Cancer Facts & Figures 2013*).

- The Company is also developing multiple products based on its MenaCalc™ diagnostic platform: (1) MenaCalc *Breast*; (2) MenaCalc *Lung*; (3) MenaCalc *Prostate*; and (4) MenaCalc *Colorectal*.

    - A correlation between the MenaCalc *Breast* Metastasis Score and the MetaSite *Breast* Metastasis Score has been confirmed in a 797-patient study.

    - Unpublished data collected in lung adenocarcinoma and prostate tumors have shown the ability of MenaCalc to predict cancer spread in these cancer types.

- MetaStat is also focused on identifying potential therapeutic targets for metastatic cancer through its MenaBloc™ platform. MetaStat intends to begin screening candidate molecules in 2013. Once identified, the Company plans to initiate preclinical animal trials with the candidate.

- Through license agreements, MetaStat holds rights to roughly 10 patent applications in the U.S., Canada, and Europe. Importantly, in mid-2012, the Company received Notices of Allowance for two of its key patents, indicating that patent authorities have found the applications approvable.

- MetaStat's leadership is experienced in the management of public biotechnology/life sciences companies. The Company possesses a highly skilled Scientific and Clinical Advisory Board, with individuals from the Albert Einstein College of Medicine, Cornell, and MIT, who were instrumental at pioneering the academic research supporting MetaStat's product development.

    - To support the Company's goal of developing a robust therapeutic portfolio, the Company has appointed David Epstein, Ph.D. as advisor for its drug discovery and development efforts. Dr. Epstein is experienced in R&D and has held leadership positions in both pharmaceutical and biotech companies.

- As of November 30, 2012, MetaStat had $717,191 in cash and cash equivalents. The Company subsequently raised $1.3 million in total gross proceeds during a private placement with accredited investors in early 2013.

Risks

This Quarterly Update has been prepared by MetaStat, Inc. ("MetaStat" or "the Company") with the assistance of Crystal Research Associates, LLC ("CRA") based upon information provided by the Company. CRA has not independently verified such information. Some of the information in this Quarterly Update relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can only be predictions and the actual events or results may differ from those discussed due to the risks described in MetaStat's statements on Forms 10-K, 10-Q, and 8-K, as well as other forms filed from time to time.

The content of this report with respect to MetaStat has been compiled primarily from information available to the public released by the Company through news releases, Annual Reports, and U.S. Securities and Exchange Commission (SEC) filings. MetaStat is solely responsible for the accuracy of this information. Information as to other companies has been prepared from publicly available information and has not been independently verified by MetaStat or CRA. Certain summaries of activities and outcomes have been condensed to aid the reader in gaining a general understanding. CRA assumes no responsibility to update the information contained in this report. In addition, CRA has been compensated by the Company in cash of forty thousand dollars and one hundred and fifty thousand warrants for its services in creating the base EIO, for updates, and for printing costs. A selection of risk factors related to MetaStat's business, intellectual property, and stock price is provided on the accompanying pages. For more complete information about the risks involved in an investment in the Company, please see MetaStat's most recently filed Form 10-K for the fiscal year ended February 29, 2012: http://www.sec.gov/Archives/edgar/data/1404943/000141588912000892/mtst10k_feb292012.htm.

Investors should carefully consider the risks and information about MetaStat's business, as described in the Company's Form 10-K filed with the SEC on February 29, 2012, and other corporate materials. Investors should not interpret the order in which considerations are presented as an indication of their relative importance. The risks and uncertainties overviewed in MetaStat's Form 10-K are not the only risks that the Company faces. Additional risks and uncertainties not presently known to MetaStat or that it currently believes to be immaterial may also adversely affect the Company's business. If any of such risks and uncertainties develops into an actual event, MetaStat's business, financial condition, and results of operations could be materially and adversely affected, and the trading price of the Company's shares could decline.

This report is published solely for information purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. Additional information about MetaStat and its public filings, as well as copies of this report, can be obtained in either a paper or electronic format by calling (973) 744-7618.

CRYSTALRESEARCH
ASSOCIATES

QUARTERLY UPDATE: APRIL 18, 2013

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Crystal Research Associates is led by veteran Wall Street sell-side analyst Jeffrey Kraws, who is well known by the international financial media for his years of work on Wall Street and for providing consistent award-winning analyses and developing long-term relationships on both the buy-side and sell-side. He has been consistently ranked on Wall Street among the Top Ten Analysts for pharmaceutical stock performance in the world for almost two decades as well as ranked as the Number One Stock Picker in the world for pharmaceuticals by Starmine and for estimates from Zacks. Additionally, Mr. Kraws has been 5-Star Ranked for top biotechnology stock performance by Starmine.

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