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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS THIRD QUARTER 2009 FINANCIAL RESULTS

--Q3 Tissue Revenues Increase 70% over 2008; Topping $1,000,000 in Quarter--
--Q3 Expenses Reduced by 66% from 2008; Company Targets Continued Growth into 2010--

October 28, 2009 - Vancouver, BC, Canada - Neovasc Inc. (TSXV: NVC), today announced financial results for the three and nine months ended September 30, 2009.

"During the third quarter, our successes in achieving substantial growth in our biological tissue business coupled with our ongoing initiatives aimed at streamlining operations, tightly managing expenses and concentrating resources on our most promising product lines are continuing to produce positive results and to put Neovasc on track for solid growth into 2010," said Alexei Marko, chief executive officer of Neovasc.

Mr. Marko continued, "The robust growth in our tissue business partly reflects our growing success in supplying industry partners developing next generation minimally invasive heart valves, a sector where we see the potential for major growth and where we believe we have a strong competitive position. At the same time we have also continued to move forward with development of our Reducer™ technology, a minimally invasive device that has the potential to be a significant advance in the treatment of refractory angina, a disabling condition that affects millions of patients worldwide each year. We are seeing very strong initial clinical interest in this product and are optimistic that we will receive approval to market Reducer in Europe in 2010. Neovasc is already assessing a range of strategic options to ensure the successful launch and commercialization of this important new product."

Mr. Marko concluded, "We believe that the strategic refocusing and rebuilding of Neovasc are proceeding well, and we look forward to further updating our shareholders as we complete 2009 and prepare for what we expect to be an eventful and positive 2010."

Financial Results
Results for the three and nine months ended September 30, 2009 follow. All amounts are in Canadian dollars.

Revenues
Revenues increased 70% year-over-year to $1,000,367 for the quarter ended September 30, 2009 from $587,884 for the same period in 2008. For the nine months ended September 30, 2009, revenues increased 34% to $1,956,175 from $1,454,430 for the same period in 2008. These increases primarily reflect increased revenues from our tissue products and services business.

Cost of Sales
The cost of sales for the three and nine months ended September 30, 2009 were $465,565 and $892,590, respectively, as compared to $283,070 and $711,674 in the comparable periods in 2008. The overall gross margin for the first nine months of 2009 increased to 54%, as compared to 51% in 2008. The improvement in gross margin reflects the company's strategic shift to certain contract and specialty tissue patch products with higher margins.

Expenses
Total expenses for the three and nine months ended September 30, 2009 were $1,188,672 and $4,806,555, respectively, as compared to $3,201,046 and $7,184,796 for the same periods in 2008. Total expenses declined by 63% year-over-year for the three-month period and 33% year-over-year for the nine-month period.

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Sales and marketing expenses declined 88% to $94,412 for the three months ended September 30, 2009, from $816,421 for the same period in 2008, and they declined 76% to $560,980 for the nine months ended September 30, 2009 from $2,351,416 for the same period in 2008. The Company terminated its direct sales force for its catheter products in the fourth quarter of 2008 and will continue to minimize sales and marketing costs while it focuses on growing its business-to-business revenue streams.

General and administrative expenses were $576,804 and $1,986,637 for the three and nine months ended September 30, 2009 as compared to $1,297,333 and $2,614,981 for the three and nine months ended September 30, 2008, representing a decrease of 56% and 24% over the same periods of 2008. These decreases reflect the Company's tighter business focus and the implementation of rigorous cost-cutting measures.

In the third quarter of 2009 the Company booked an additional accrual of $98,212, increasing its Medsurg settlement provision to $400,000. Medsurg was the former distributor of the Company's Peripatch biologic products. The distribution agreement was terminated in the fourth quarter of 2008. As part of the termination, Neovasc was required to partially reverse revenue reported in 2008 and also to receive back into inventory all product returned by Medsurg, the value of which was disputed. In an agreed settlement, Neovasc will pay 12 monthly instalments of US$30,000 each to Medsurg for the returned inventory. The payments began in September 2009.

Despite this one-time expense, the Company has been able to streamline its administrative expenses by minimizing administrative staff and curtailing its US listing and investor relations activities to achieve significant year-over-year reductions in administrative expenses.

Product development and clinical trial expenses were $517,456 and $2,258,938 for the three and nine months ended September 30, 2009 as compared to $1,087,292 and $2,123,995 for the same periods of 2008, representing a decrease of 52% for the three months and an increase of 6% for the nine months over the same periods in 2008. In the first nine months of 2009, product development expenditures were focused activities supporting the CE mark submission for the Neovasc Reducer device. Also included in product development and clinical trial expenses in the third quarter was an accrual of $65,000 for the costs associated with the suspension of certain research and development activities at the Israeli facility.

Net Losses

The consolidated net loss for the three and nine months ended September 30, 2009 was $802,448 and $3,879,139 or $0.03 and $0.16 basic loss per share, as compared with a net loss of $4,004,023 and $7,661,271, or $0.23 and $0.80 basic loss per share, for the comparable periods in 2008.

Liquidity and Capital Resources

The Company finances its operations and capital expenditures with cash generated from operations, lines of credit, long-term debt and equity financings. At September 30, 2009, the Company had cash and cash equivalents of $564,724, as compared to cash and cash equivalents of $2,498,439 at December 31, 2008. In addition, at September 30, 2009 the Company had restricted cash related to a security on long-term debt of $50,000 included in long-term assets.

At September 30, 2009 the Company had working capital of $462,044 as compared to working capital of $2,123,519 at December 31, 2008. The decrease in working capital during the nine months ended September 30, 2009 was predominantly due to a decline in cash, an increase in accounts receivable and inventory, and a decrease in accounts payable. The growth in accounts receivable and inventory are in line with revenue growth while the decrease in accounts payable reflects the decline in product development and other departmental expenditures.

Cash used in operations was $721,230 and $3,829,576 for the three and nine months ended September 30, 2009, as compared to $2,796,298 and $6,124,091 for the same periods of 2008. The decrease in cash usage for the

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nine months ended September 30, 2009 as compared to same period of 2008 is primarily the result of the Company's increased sales and decreased operating expenses in 2009.

Net cash used in investing activities was $44,689 and $53,234 on capital assets for the three and nine months ended September 30, 2009 compared to net cash generated of $149,638 and $135,946 in 2008. On July 1, 2008, the Company completed acquisition of B-Balloon and Neovasc Medical. The cash spent to acquire the companies was $845,241, of which $273,046 was unpaid and in accounts payable at September 30, 2008. On completing the transaction Neovasc acquired $781,008 of cash and cash equivalents. During the three months ended September 30, 2008 the transaction generated net cash of $208,813, while $59,175 was spent on capital additions.

Net cash used by financing activities was $9,828 for the three months ended September 30, 2009, compared to cash provided of $7,868,681 in the same period of 2008. Net cash provided by financing activities was $1,949,095 for the nine months ended September 30, 2009, compared to cash provided of $7,852,263 in the same periods of 2008.

Concurrent with the acquisition completed on July 1, 2008, the Company issued 2,081,251 units of common shares at a price of $4.00 per unit for gross proceeds of $8,325,004 less issue costs of $93,916, net $8,231,088. Each unit consists of one common share of the Company and 0.62 of a warrant. Each whole warrant is exercisable to purchase one additional common share of the Company at a price of $5.00 for a period of 18 months from July 1, 2008. From the proceeds of the financing the Company repaid $356,440 in loans from parties related to B-Balloon.

On April 23, 2009, the Company completed a non-brokered private placement of 9,523,810 units at the price of $0.21 per unit for aggregate gross proceeds of $2,000,000. Each unit consisted of one common share of Neovasc stock and one-half of one common share purchase warrants of Neovasc stock. Each whole warrant entitles the holder to purchase one common share of Neovasc stock at the exercise price of $0.30 per share for a period of one year after the closing date of the offering. Share issue costs were $20,314.

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Neovasc Inc. (formerly Medical Ventures Corp.)
Consolidated Balance Sheets

	September 30, 2009	December 31, 2008
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 564,724**	$ 2,498,439
Accounts receivable	**528,809**	470,200
Inventory	**485,728**	341,564
Prepaid expenses and other assets	**26,926**	52,356
	1,606,187	3,362,559
RESTRICTED CASH AND CASH EQUIVALENTS	**50,000**	50,000
RETIREMENT ASSETS	**-**	8,320
PROPERTY AND EQUIPMENT	**1,278,002**	1,399,644
	$ 2,934,189	$ 4,820,523
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,104,238**	$ 1,218,405
Current portion of long-term debt	**39,905**	20,635
	1,144,143	1,239,040
LONG-TERM DEBT	**367,196**	418,612
RETIREMENT LIABILITIES	**-**	8,964
	1,511,339	1,666,616
SHAREHOLDERS' EQUITY		
Share capital	**60,588,307**	58,607,066
Contributed surplus	**4,603,645**	4,436,804
Deficit	**(63,769,102)**	(59,889,963)
	1,422,850	3,153,907
	$ 2,934,189	$ 4,820,523

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Neovasc Inc. (formerly Medical Ventures Corp.)
Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the three and nine months ended September 30

	Three months ended September 30		Nine months ended September 30	
	2009	2008	**2009**	2008
SALES				
Product sales	**$ 573,778**	$ 547,118	**$ 1,402,177**	$ 1,385,042
Consulting services	**426,589**	40,766	**553,998**	69,388
	1,000,367	587,884	**1,956,175**	1,454,430
COST OF SALES	**465,565**	283,070	**892,590**	711,674
GROSS PROFIT	**534,802**	304,814	**1,063,585**	742,756
EXPENSES				
Selling	**94,412**	816,421	**560,980**	2,351,416
General and administration	**576,804**	1,297,333	**1,986,637**	2,614,981
Product development and clinical trials	**517,456**	1,087,292	**2,258,938**	2,123,995
Inventory write down	**-**	-	**-**	94,404
Amortization	**111,417**	1,106,809	**174,876**	1,228,245
	1,300,089	4,307,855	**4,981,431**	8,413,041
LOSS BEFORE OTHER INCOME (EXPENSES)	**(765,387)**	(4,003,041)	**(3,917,846)**	(7,670,285)
OTHER INCOME (EXPENSES)				
Interest income	**904**	36,500	**11,880**	59,803
Interest on long-term debt	**(2,662)**	(45,477)	**(7,987)**	(58,012)
Accreted interest on repayable contribution agreement	**-**	(3,880)	**-**	(11,565)
Gain (Loss) on foreign exchange	**(35,403)**	11,875	**34,814**	18,788
	(37,161)	(982)	**38,707**	9,014
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(802,448)**	(4,004,023)	**(3,879,139)**	(7,661,271)
DEFICIT, BEGINNING OF PERIOD	**(62,966,654)**	(29,287,646)	**(59,889,963)**	(25,630,398)
DEFICIT, END OF PERIOD	**$ (63,769,102)**	$ (33,291,669)	**$ (63,769,102)**	$ (33,291,669)
BASIC AND DILUTED LOSS PER SHARE	**$ (0.03)**	$ (0.34)	**$ (0.16)**	$ (0.80)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,384,365**	17,701,276	**24,175,227**	9,607,410
WEIGHTED AVERAGE NUMBER OF FULLY DILUTED SHARES OUTSTANDING	**28,202,575**	18,901,403	**28,220,087**	10,007,456

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Neovasc Inc. (formerly Medical Ventures Corp.)
Consolidated Statements of Cash Flows
For the three and nine months ended September 30

	Three months ended September 30		Nine months ended September 30	
	2009	2008	**2009**	2008
OPERATING ACTIVITIES				
Net loss for the period	**$ (802,448)**	$ (4,004,023)	**$ (3,879,139)**	$ (7,661,271)
Items not affecting cash				
Inventory write down	**-**	-	**-**	94,404
Amortization	**111,417**	1,106,809	**174,876**	1,228,245
Interest on repayable contribution agreement	**-**	3,880	**-**	11,565
Stock-based compensation	**40,390**	273,687	**166,841**	303,427
	(650,641)	(2,619,647)	**(2,886,781)**	(6,023,630)
Change in non-cash operating assets and liabilities				
Accounts receivable	**(87,026)**	(171,684)	**28,417**	56,632
Inventory	**40,422**	(118,451)	**(184,586)**	(206,485)
Prepaid expenses and other assets	**31,594**	289,998	**(6,164)**	120,413
Accounts payable and accrued liabilities	**(55,579)**	(176,514)	**(59,232)**	(71,021)
	(721,230)	(1,527,982)	**(3,108,346)**	(6,124,091)
INVESTING ACTIVITY				
Acquisition of business, net of cash of $781,008				
B-Balloon	**-**	(274,858)	**-**	(274,858)
Neovasc Medical	**-**	210,625	**-**	210,625
Accounts payable on acquisition	**-**	273,046	**-**	273,046
Purchase of property and equipment	**(44,689)**	(59,175)	**(53,234)**	(72,867)
	(44,689)	149,638	**(53,234)**	(135,946)
FINANCING ACTIVITIES				
Repayment of long-term debt	**(9,828)**	(4,868)	**(32,146)**	(16,903)
Repayment of loan from related party to B-Balloon	**-**	(356,440)	**-**	(356,440)
Repayment of repayable contribution agreement	**-**	(1,099)	**-**	(5,482)
Proceeds from share issue, net of costs	**-**	8,231,088	**1,979,686**	8,231,086
Proceeds from exercise of stock options	**-**	-	**1,555**	-
	(9,828)	7,868,681	**1,949,095**	7,852,263
(DECREASE)/INCREASE IN CASH	**(775,747)**	5,222,021	**(1,933,715)**	1,864,118
CASH AND CASH EQUIVALENTS,				
BEGINNING OF PERIOD	**1,340,471**	(115,499)	**2,498,439**	3,242,404
END OF PERIOD	**$ 564,724**	$ 5,106,522	**$ 564,724**	$ 5,106,522
REPRESENTED BY:				
Cash	**514,724**	287,849	**514,724**	287,849
Cashable guaranteed investment certificates	**50,000**	4,818,673	**50,000**	4,818,673
	$ 564,724	$ 5,106,522	**$ 564,724**	$ 5,106,522
NON CASH TRANSACTIONS				
Issue of shares to acquire B-Balloon and				
Neovasc Medical	**-**	24,613,554	**-**	24,613,554
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	**$ 2,662**	$ 7,417	**$ 7,987**	$ 19,952

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About Neovasc Inc.
Neovasc Inc. is a new specialty vascular device company that develops, manufactures and markets medical devices for the rapidly growing vascular and surgical marketplace. The company's current products include the Neovasc Reducer™, a novel product in development to treat refractory angina, as well as a line of advanced biological tissue technologies that are used to enhance surgical outcomes and as key components in a variety of third-party medical products. For more information, visit: www.neovasc.com.

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words "anticipates," "believes," "may," "continues," "estimates," "expects," and "will" and words of similar import, constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; history of losses and lack of and uncertainty of revenues, ability to obtain required financing, receipt of regulatory approval of product candidates, ability to properly integrate newly acquired businesses, technology changes; competition; changes in business strategy or development plans; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with Canadian securities regulators. Although the Company believes that expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to the future results, approvals or achievements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update any forward-looking statements except as otherwise required by applicable law.

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