13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS FINANCIAL RESULTS FOR SECOND QUARTER OF 2013

--Year-over-Year Revenues Increased 71% from Robust Growth in Contract Manufacturing and Consulting Services Revenues--

August 15, 2013 - Vancouver, BC, Canada - Neovasc Inc. ("Neovasc") (TSXV: NVC), today announced financial results for the three and six months ended June 30, 2013.

"We continued to deliver on our planned progress in all of Neovasc's programs during the second quarter," commented Alexei Marko, chief executive officer of Neovasc. "We reported strong growth in our contract manufacturing and consulting services businesses as we prepared for our planned exit from surgical tissue patch products, a lower margin line we sold to LeMaitre Vascular last year. This change is expected to free up additional capacity for the manufacture of transcatheter heart valves and other higher margin custom products for our growing customer base. As part of this transition, we have invested heavily in new clean room space to meet the expected increases in demand."

Mr. Marko continued, "Early in the quarter, we reported gains in both of our new product development programs. We are close to wrapping up the multiyear COSIRA trial, which is intended to provide additional data on the safety and efficacy of the Neovasc Reducer™ product for the treatment of refractory angina. With enrollment now completed, we are collecting the remaining six-month patient follow-up data and expect to report top-line results before year-end. Positive data from the COSIRA trial will enable us to prepare for a full commercial launch of the Reducer in Europe. We are also supplementing the COSIRA trial with Registry data from patients who have received a Reducer device at a number of selected centers. In May, initial six-month data from the Registries presented at EuroPCR 2013 confirmed that angina pain and disability were significantly reduced in patients receiving the Reducer."

Mr. Marko continued, "We also continued to make good progress in the development program for the Tiara™ transcatheter mitral value replacement device in development for the treatment of mitral regurgitation. At EuroPCR, we presented positive Tiara efficacy and safety data from ongoing chronic animal studies, which are continuing to proceed well. We remain on track to initiate human clinical trials with the Tiara device later this year or early next year."

Christopher Clark, chief financial officer of Neovasc, noted, "We are pleased to report that all of our outstanding 2011 warrants have been exercised, and in addition to the $2.5 million raised from the exercise of warrants during the first six months of the year, we received the remaining $472,000 after the quarter's end. These proceeds have allowed us to strengthen our balance sheet, giving us additional resources to complete the clinical studies for the Reducer and advance development of the Tiara program."

DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

Results for the three and six months ended June 30, 2013 and 2012 follow:

Revenues

For the three months ended June 30, 2013, revenues increased by 71% to $2,792,815, compared to revenues of $1,634,608 for the same period in 2012. For the six months ended June 30, 2013, revenues increased by 43% to $4,802,195, compared to revenues of $3,347,599 for the same period in 2012.

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

Product sales for the three months ended June 30, 2013 were $766,834, compared to $742,226 in the same period of 2012, representing an increase of 3%. Product sales for the six months ended June 30, 2013 were $1,356,879, compared to $1,451,868 in the same period of 2012, representing a decrease of 7%. These figures partly reflect that fact that Neovasc's product sales are solely comprised of sales of surgical patches to Lemaitre Vascular, Inc. ("Lemaitre"). On October 31, 2012 Neovasc reported the sale of a manufacturing license to LeMaitre to produce these surgical patches in-house. Neovasc will continue to supply LeMaitre with surgical patches until they receive appropriate regulatory approvals and start manufacture of the surgical patches themselves, anticipated towards the end of 2013 or in early 2014. At that time, Neovasc will cease manufacture of all surgical patches for LeMaitre.

Contract manufacturing revenues for the three months ended June 30, 2013 were $521,361, compared to $458,359 in the same period of 2012, representing an increase of 14%. Contract manufacturing revenues for the six months ended June 30, 2013 were $1,096,510, compared to $799,806 in the same period of 2012, representing an increase of 37%. The increase in contract manufacturing revenues reflects the Company's success in attracting more contract manufacturing customers, as well as larger orders from existing customers as they advance their new product development programs towards commercialization and market introduction.

Revenues from consulting services for the three months ended June 30, 2013 were $1,504,620, compared to $434,023 in the same period in 2012, representing an increase of 247%. Revenues from consulting services for the six months ended June 30, 2013 were $2,348,806, compared to $1,095,925 in the same period in 2012, representing an increase of 114%. The Company's consulting service revenues are contract-driven and they can fluctuate from quarter to quarter and year to year as current projects are completed and new projects start. The Company hopes and anticipates that it will be able to convert more of its current consulting services customers into contract manufacturing customers as they advance their product development programs towards commercialization and market introduction. However, this change is dependent on their product development success and is therefore difficult to project.

Cost of Goods Sold

The cost of goods sold for the three and six months ended June 30, 2013 were $1,632,155 and $2,867,436, respectively, as compared to $994,809 and $1,874,081 for the same periods in 2012. The overall gross margins for the three and six months ended June 30, 2013 were 42% and 40%, compared to 39% and 44% gross margins for the same periods in 2012. Whilst gross margins have remained relatively stable in recent years, fluctuations reflect the different margin rates achieved in the Company's mix of consulting and contract manufacturing projects and product revenue streams. Neovasc anticipates an improvement in margins in 2014 as the sale of low margin surgical strips to Lemaitre is discontinued and the revenue mix shifts to higher margin contract manufacturing and consulting services.

Expenses

Total expenses for the three and six months ended June 30, 2013 were $2,573,957 and $5,309,267, respectively, as compared to $2,158,752 and $4,249,768 for the same periods in 2012, representing an increase of 19% and 25%, respectively. The increase in total expenses for the three months ended June 30, 2013 as compared to the same period in 2012 reflects an increase in product development and clinical trial expenses of $447,107 as the Company expanded its development activities for its Neovasc Reducer clinical program and its Tiara mitral valve replacement device. The increase in total expenses for the six months ended June 30, 2013 as compared to the same period in 2012 reflects increases in general and administrative expenses of $497,123, primarily from special non-recurring expenses, as well as product development and clinical trial expenses of $601,694 to advance the Tiara and Neovasc Reducer development programs.

Selling expenses for the three and six months ended June 30, 2013 were $31,685 and $52,692, respectively, as compared to $48,783 and $92,010 for the same periods in 2012. The Company is continuing to maintain relatively constant and modest selling and marketing costs while it focuses on growing its business-to-business revenue streams.

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

General and administrative expenses for the three and six months ended June 30, 2013 were $928,663 and $2,654,395, respectively, as compared to $943,467 and $2,157,272 for the same periods of 2012, representing a decrease of $14,804, a 2% decrease, and an increase of $497,123, a 23% increase, respectively. During the first quarter of 2013, the Company incurred additional one-time costs establishing a dedicated regulatory affairs team and handling legal and other expenses associated with strategic and product development activities.

Product development and clinical trial expenses for the three and six months ended June 30, 2013 were $1,613,609 and $2,602,180, respectively, as compared to $1,166,502 and $2,000,486 for the same periods in 2012, representing an increase of $447,107 and $601,694, or 38% and 30%, respectively. The increase in product development and clinical trial expenses was primarily due to an increase in development expenses as the Company invested in its two major new product initiatives: completing the COSIRA clinical trial for the Neovasc Reducer and advancing the preclinical Neovasc Tiara mitral valve development program.

Other income
Other income for the three and six months ended June 30, 2013 was $174,904 and $275,959, respectively, as compared to other income of $2,598 and a loss of $5,396 for the same periods in 2012. The Company has benefited from significant foreign exchange gains on its foreign currency-denominated cash and cash equivalents in the first six months of 2013.

Loss
The losses for the three and six months ended June 30, 2013 were $1,238,393 and $3,098,549, or $0.03 and $0.07 basic and diluted loss per share, respectively, as compared with a loss of $1,516,355 and $2,781,646. or $0.03 and $0.06 basic and diluted loss per share for the comparable periods in 2012. The $277,962 decrease in the loss incurred for the three months ended June 30, 2013 as compared to the same period in 2012 can be substantially explained by a $172,306 increase in other income due to a significant gain on foreign exchange in 2013 and by a $105,656 decrease in operating losses as the increase in product development and clinical trials expenses were outweighed by an increases in contribution from gross profit. The $316,903 increase in the loss incurred for the six months ended June 30, 2013 as compared to the same period in 2012 can be substantially explained by a $281,355 increase in other income due to a significant gain on foreign exchange in 2013 offset by a $598,258 increase in operating losses as the increases in product development and clinical trials expenses were not matched by increases in contribution from gross profit.

DISCUSSION OF LIQUIDITY AND CAPITAL RESOURCES

Neovasc finances its operations and capital expenditures with cash generated from operations, lines of credit, long-term debt and equity financings. At June 30, 2013, the Company had cash and cash equivalents of $5,467,777 as compared to cash and cash equivalents of $1,124,490 at June 30, 2012.

Cash used in operating activities for the three and six months ended June 30, 2013 was $1,150,258 and $2,031,149 respectively, as compared to $620,610 and $1,228,407 for the same periods in 2012. The increase in cash used for the three months ended June 30, 2013, compared to the same period of 2012, is principally due to a decrease in operating expenses offset by an increase in cash absorbed by working capital items. For the three months ended June 30, 2013, operating expenses were $885,458, compared to $950,460 for the same period in 2012, while working capital items absorbed cash of $252,449, compared to working capital items generating cash of $322,017 for the same period in 2012, as accounts receivable absorbed more cash associated with revenue growth. For the six months ended June 30, 2013, operating expenses were $1,670,791, compared to $1,437,943 for the same period in 2012, as more expenses were incurred in general and administrative, research and development and clinical trials activities. Working capital items absorbed cash of $355,647, compared to working capital items generating cash of $193,119 for the same period in 2012, as accounts receivable and inventory absorbed cash associated with increased production activities and revenue growth.

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

Net cash invested in capital assets was $578,397 and $893,032 for the three and six months ended June 30, 2013, respectively, compared to net cash invested in capital assets of $98,535 and $192,441 for the same periods in 2012. In the three months ended June 30, 2012 the Company invested $1,008,423 in longer-term investments, as its cash and cash equivalents were sufficient to meet its obligations in the short-term. During the three and six months ended June 30, 2013 and 2012, the Company continued to invest capital to expand its clean room and manufacturing facilities and research and development capabilities to meet growing demand for its products and services.

Net cash provided by financing activities was $2,336,828 and $2,530,838 for the three and six months ended June 30, 2013, respectively, compared to cash provided by financing activities of $145,130 and $140,796 for the same periods of 2012. During the first six months of 2013, the Company issued 1,957,500 common shares, upon the exercise of warrants issued as part of the Company's August 2011 financing. Proceeds received from the exercise of the 1,957,500 warrants amounted to $2,446,875.

The majority of the revenue and expenses of the Company are incurred in the parent and in one of its subsidiaries, Neovasc Medical Inc., both of which are Canadian companies. There are no significant restrictions on the transfer of funds between these entities and during the year the Company also had no complications in transferring funds to and from its subsidiaries in Israel.

The majority of the Company's cash and cash equivalents at June 30, 2013 were denominated in United States dollars, as the proceeds from the sale of the license to LeMaitre Vascular Inc. was received in that currency. The Company is exposed to foreign currency fluctuations on $5,317,601 of its cash and cash equivalents held in United States dollars and European euros.

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian dollars)

	June 30, 2013	December 31, 2012 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	**$ 5,467,777**	$ 5,861,120
Accounts receivable	**1,702,589**	1,248,271
Inventory	**436,415**	191,942
Prepaid expenses and other assets	**121,199**	29,891
Total current assets	**7,727,980**	7,331,224
Non-current assets		
Property, plant and equipment	**2,273,078**	1,467,372
Total non-current assets	**2,273,078**	1,467,372
Total assets	**$ 10,001,058**	$ 8,798,596
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
	$ 80,110	$ -
Accounts payable and accrued liabilities	**1,501,735**	1,067,283
Current portion of long-term debt	**43,066**	42,540
Total current liabilities	**1,624,911**	1,109,823
Non-current liabilities		
Long-term debt	**220,698**	241,083
Total non-current liabilities	**220,698**	241,083
Total liabilities	**1,845,609**	1,350,906
Equity		
Share capital	**72,914,135**	70,421,185
Contributed surplus	**9,683,616**	8,370,258
Deficit	**(74,442,302)**	(71,343,753)
Total equity	**8,155,449**	7,447,690
Total liabilities and equity	**$ 10,001,058**	$ 8,798,596

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

Interim Consolidated Statements of Comprehensive Loss (Unaudited)

For the three and six months ended June 30,
(Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30	
	2013	2012	**2013**	2012
REVENUE				
Product sales	**$ 766,834**	$ 742,226	**$ 1,356,879**	$ 1,451,868
Contract manufacturing	**521,361**	458,359	**1,096,510**	799,806
Consulting services	**1,504,620**	434,023	**2,348,806**	1,095,925
	2,792,815	1,634,608	**4,802,195**	3,347,599
COST OF GOODS SOLD	**1,632,155**	994,809	**2,867,436**	1,874,081
GROSS PROFIT	**1,160,660**	639,799	**1,934,759**	1,473,518
EXPENSES				
Selling expenses	**31,685**	48,783	**52,692**	92,010
General and administrative expenses	**928,663**	943,467	**2,654,395**	2,157,272
Product development and clinical trials expenses	**1,613,609**	1,166,502	**2,602,180**	2,000,486
	2,573,957	2,158,752	**5,309,267**	4,249,768
OPERATING LOSS	**(1,413,297)**	(1,518,953)	**(3,374,508)**	(2,776,250)
OTHER INCOME/(EXPENSE)				
Interest income	**-**	10,499	**-**	21,833
Interest expense	**(2,351)**	(2,666)	**(4,711)**	(5,416)
(Loss)/gain on foreign exchange	**177,255**	(5,235)	**280,670**	(21,813)
	174,904	2,598	**275,959**	(5,396)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$ (1,238,393)**	$ (1,516,355)	**$ (3,098,549)**	$ (2,781,646)
LOSS PER SHARE				
Basic and diluted loss per share	**$ (0.03)**	$ (0.03)	**$ (0.07)**	$ (0.06)

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

Interim Consolidated Statements of Cash Flows (Unaudited)

For the three and six months ended June 30,
(Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30	
	2013	2012	**2013**	2012
OPERATING ACTIVITIES				
Loss for the year	**$ (1,238,393)**	$ (1,516,355)	**$ (3,098,549)**	$ (2,781,646)
Adjustments for:				
Depreciation	**51,330**	33,973	**87,326**	60,763
Share-based payments	**299,254**	539,755	**1,335,721**	1,299,357
Interest income	**-**	(10,499)	**-**	(21,833)
Interest expense	**2,351**	2,666	**4,711**	5,416
	(885,458)	(950,460)	**(1,670,791)**	(1,437,943)
Net change in non-cash working capital items:				
Accounts receivable	**(462,436)**	48,960	**(454,318)**	200,127
Inventory	**12,984**	24,527	**(244,473)**	(219,547)
Prepaid expenses and other assets	**(48,137)**	(11,998)	**(91,308)**	(30,297)
Accounts payable and accrued liabilities	**235,140**	260,528	**434,452**	242,836
	(262,449)	322,017	**(355,647)**	193,119
Interest paid and received:				
Interest received	**-**	10,499	**-**	21,833
Interest paid	**(2,351)**	(2,666)	**(4,711)**	(5,416)
	(2,351)	7,833	**(4,711)**	16,417
	(1,150,258)	(620,610)	**(2,031,149)**	(1,228,407)
INVESTING ACTIVITES				
Decrease/(Increase) in investments in guaranteed investment certificates	**-**	1,008,455	**-**	32
Purchase of property, plant and equipment	**(578,397)**	(98,535)	**(893,032)**	(192,441)
	(578,397)	909,920	**(893,032)**	(192,409)
FINANCING ACTIVITIES				
Increase in bank overdraft	**(46,988)**	145,927	**80,110**	145,927
Decrease in restricted cash & cash equivalents	**-**	(1,076)	**-**	(200)
Repayment of long-term debt	**(9,934)**	(9,619)	**(19,859)**	(19,154)
Proceeds from exercise of warrants	**2,393,750**	-	**2,446,875**	-
Proceeds from exercise of options	**-**	9,898	**23,712**	14,223
	2,336,828	145,130	**2,530,838**	140,796
NET CHANGE IN CASH AND CASH EQUIVALENTS	**608,173**	434,440	**(393,343)**	(1,280,020)
CASH AND CASH EQUIVALENTS				
Beginning of the year	**4,859,604**	690,050	**5,861,120**	2,404,510
End of the year	**$ 5,467,777**	$ 1,124,490	**$ 5,467,777**	$ 1,124,490
Represented by:				
Cash	**$ 5,467,777**	$ 117,750	**$ 5,467,777**	$ 117,750
Cashable guaranteed investment certificates	**-**	1,006,740	**-**	1,006,740
	$ 5,467,777	$ 1,124,490	**$ 5,467,777**	$ 1,124,490

13700 Mayfield Place, Suite 2135
Richmond BC V6V 2E4 Canada
P:604.270.4344 F:604.270.4384
www.neovasc.com

About Neovasc Inc.
Neovasc Inc. is a specialty medical device company that develops, manufactures and markets products for the rapidly growing global cardiovascular marketplace. Its products include the Neovasc Reducer™ for the treatment of refractory angina and the Tiara™ transcatheter mitral value replacement device in development for the treatment of mitral regurgitation. In addition, Neovasc's advanced biological tissue products are widely used as key components in a variety of third-party medical products, such as transcatheter heart valves. 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.

###

Corporate contact:
Neovasc Inc.
Chris Clark
604 248-4138

U.S. media & investor contact:
BLL Partners, LLC
Barbara Lindeim
212 584-2276