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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2010

-- Three-Fold Increase in Revenues Marks Fifth Consecutive Quarter of Top-Line and Bottom-Line Growth --

May 17, 2010 - Vancouver, BC, Canada - Neovasc Inc. (TSXV: NVC), today announced financial results for the three months ended March 31, 2009.

"Neovasc is pleased to announce the results from this most recent quarter which marks the fifth consecutive quarter of revenue growth for the company, with sales growth of almost 300% compared to the same period last year," said Alexei Marko, chief executive officer of Neovasc. "Our biological tissue business is now operating at breakeven, and we expect to continue to see significant year-over-year revenue growth for 2010. We continue to progress on activities related to commercializing Neovasc's Reducer product for treating refractory angina, building on the momentum from our March presentation at the American College of Cardiology annual meeting where long-term follow-up data confirmed that the Reducer was safe and improved angina symptoms in the majority of patients for three years post-implantation."

Christopher Clark, chief financial officer of Neovasc added, "After the end of the period, on April 23, 2010, 97% of the expiring warrants from our April 2010 financing were exercised, for proceeds of $1.4 million, which we have earmarked for the Reducer COSIRA trial. We are delighted with this high level of participation, which we view as a strong vote of confidence from our existing investors."

In addition, Neovasc announced today that it has granted a total of 330,000 options to directors of the company. These options have an exercise price of $0.355. All of the options granted vest immediately.

Financial Results
Results for the three months ended March 31, 2010 and 2009 follow:

Revenues
Revenues increased almost 300% year-over-year to $1,065,841 for the three months ended March 31, 2010 from $355,484 for the same period in 2009. These increases reflect increased revenues from our tissue products and services business.

Sales of products for the three months ended March 31, 2010 were $737,962, compared to $298,630 in the same period in 2009, representing an increase of 147%. These revenues include sales of Peripatch products and contract manufacturing revenues in the first quarter of 2010, and Peripatch, contract manufacturing and catheter products in prior periods. The Company ceased manufacture of its Metricath product at the end of 2009.

Revenue from consulting services for the three months ended March 31, 2010 were $327,879, compared to $56,854 in the same period in 2009, representing an increase of 477%. The Company is continuing to expand its consulting services business where possible.

Cost of Sales
The cost of sales for the three months ended March 31, 2010 was $582,945, as compared to $149,760 in the comparable period in 2009. The overall gross margin for the first quarter of 2010 declined to 45%, compared to the 58% gross margin reported in 2009.

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The decline in gross margin for the first quarter of 2010 was due to the impact of exchange rates, sales volume discounts to customers and a shift in product mix to certain lower margin products. In the three months ended March 31, 2010, 96% of the company's sales were derived from customers in the United States and Europe and were denominated in U.S. and European Union currency. During the first quarter of 2010, the U.S. dollar and European Union euro depreciated 3% and 9% respectively, negatively impacting recorded sales figures.

Expenses
Total expenses for the three months ended March 31, 2010 were $885,209, as compared to $1,930,494 for the same periods in 2009, representing a decrease of $1,045,285. The decrease in expenses from the first quarter of 2009 to the first quarter of 2010 reflects the elimination of operating expenses incurred at our Israeli facility of $367,000, a decrease in selling expenses of $258,000, and a reduction in general and administrative expenses of $264,000.

Sales and marketing expenses declined 85% to $44,891 for the three months ended March 31, 2010, from $302,885 for the same period in 2009. 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 continuing to grow its business-to-business revenue streams.

General and administrative expenses were $487,203 for the three months ended March 31, 2010 as compared to $750,829 for the same period of 2009, representing a decrease of 35%. These decreases reflect the Company's tighter business focus and the implementation of rigorous cost-cutting measures.

Product development and clinical trial expenses were $353,115 for the three months ended March 31, 2010 as compared to $876,780 for the same period of 2009, representing a decrease of 60% over the same period in 2009. The decrease in product development and clinical trial expenses of $367,000 primarily reflected expense reductions at our Israel operation. In the first quarter of 2010, product development expenditures were focused on activities supporting initiation of our Reducer COSIRA trial.

Amortization and Other Expenses
Amortization and other expenses for the three months ended March 31, 2010 were $68,816 as compared to amortization and other expenses of $21,470 for the same period in 2009. In the first quarter of 2010 the Company experienced a foreign exchange loss of $39,129 compared to an $8,518 gain in the same period of 2009.

Net Losses
The consolidated net loss for the three months ended March 31, 2010 was $471,129 or $0.02 basic loss per share, as compared with a net loss of $1,746,240 or $0.10 basic loss per share for the comparable period in 2009.

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 March 31, 2010, the Company had cash and cash equivalents of $758,823, as compared to cash and cash equivalents of $111,368 at December 31, 2009. In addition, at March 31, 2010 the Company had restricted cash related to a security on long-term debt of $50,000 (December 31, 2009 - $50,000) included in long-term assets.

At March 31, 2009 the Company had working capital of $1,122,217 as compared to a negative working capital of $28,502 at December 31, 2009. The increase in working capital during the first quarter of 2010 was predominantly due to the net impact of an increase in cash from completion of a non-brokered private placement during the first quarter of 2010; an increase in accounts receivable, reflecting relatively high sales revenues recorded at the end of the quarter in March; an increase in inventory, as levels of tissue raw material were increased in anticipation of upcoming sales; and a decrease in accounts payable as the Company continues to pay down its prior debts.

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Cash used in operations was $826,476 for the three months ended March 31, 2010, as compared to $1,514,482 for the same period in 2009. The decrease in cash usage for the three months ended March 31, 2010 as compared to same period of 2009 is primarily the result of the Company's increased sales and decreased operating expenses in the first quarter of 2010.

Net cash used in investing activities was $30,855 on capital assets for the three months ended March 31, 2010 compared to net cash used of $7,971 in 2009. The Company made minimum purchases of equipment in the first quarters of 2010 and 2009.

Net cash provided by financing activities was $1,504,786 for the three months ended March 31, 2010, compared to cash used of $3,476 in the same period of 2009. On February 19, 2010, the Company completed a non-brokered private placement of 5,691,658 units at the price of $0.27 per unit for aggregate gross proceeds of $1,536,748. Each unit consists of one common share of Neovasc stock and one-half of one common share purchase warrant of Neovasc stock. Each whole warrant will entitle the holder thereof to purchase one common share of Neovasc stock at the exercise price of $0.40 per share for a period of one year after the closing date of the offering. Share issue costs were $22,015.

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Neovasc Inc.
Interim Consolidated Balance Sheets

		March 31, 2010		December 31, 2009
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**758,823**	$	111,368
Accounts receivable		**614,910**		442,540
Inventory		**516,196**		404,309
Prepaid expenses and other assets		**40,611**		15,771
		1,930,540		973,988
RESTRICTED CASH AND CASH EQUIVALENTS		**50,000**		50,000
PROPERTY AND EQUIPMENT		**1,252,718**		1,249,326
	$	**3,233,258**	$	2,273,314
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**768,014**	$	962,512
Current portion of long-term debt		**40,309**		39,978
		808,323		1,002,490
LONG-TERM DEBT		**346,819**		357,097
		1,155,412		1,359,587
SHAREHOLDERS' EQUITY				
Share capital		**62,163,358**		60,648,625
Contributed surplus		**4,752,134**		4,631,349
Deficit		**(64,837,376)**		(64,366,247)
		2,078,116		913,727
	$	**3,233,258**	$	2,273,314

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Neovasc Inc.
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the three months ended March 31

		2010		2009
SALES				
Product sales	$	737,962	$	298,630
Consulting services		327,879		56,854
		1,065,841		355,484
COST OF SALES		582,945		149,760
GROSS PROFIT		482,896		205,724
EXPENSES				
Selling		44,891		302,885
General and administration		487,203		750,829
Product development and clinical trials		353,115		876,780
Amortization		27,463		32,356
		912,672		1,962,850
LOSS BEFORE OTHER INCOME (EXPENSES)		(429,776)		(1,757,126)
OTHER INCOME (EXPENSES)				
Interest income		114		9,621
Interest on long-term debt		(2,338)		(7,253)
(Loss) / Gain on foreign exchange		(39,129)		8,518
		(41,353)		10,866
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(471,129)		(1,746,240)
DEFICIT, BEGINNING OF THE PERIOD		(64,366,247)		(59,889,963)
DEFICIT, END OF THE PERIOD	$	(64,837,376)	$	(61,636,203)
BASIC AND DILUTED LOSS PER SHARE	$	(0.02)	$	(0.10)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		29,982,559		17,756,951
WEIGHTED AVERAGE NUMBER OF FULLY DILUTED SHARES OUTSTANDING		31,666,130		18,132,559

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Neovasc Inc.
Interim Consolidated Statements of Cash Flows
For the three months ended March 31

		2010		2009
OPERATING ACTIVITIES				
Net loss for the period	$	(471,129)	$	(1,746,240)
Items not affecting cash				
Amortization		27,463		32,356
Stock-based compensation		120,785		86,052
		(322,881)		(1,627,832)
Change in non-cash operating assets and liabilities				
Accounts receivable		(172,370)		134,506
Inventory		(111,887)		(148,612)
Prepaid expenses and other assets		(24,840)		(6,279)
Accounts payable and accrued liabilities		(194,498)		133,735
		(826,476)		(1,514,482)
INVESTING ACTIVITY				
Purchase of property and equipment		(30,855)		(7,971)
		(30,855)		(7,971)
FINANCING ACTIVITIES				
Repayment of long-term debt		(9,947)		(5,031)
Proceeds from share issue, net of costs of $22,015		1,514,733		-
Proceeds from exercise of stock options		-		1,555
		1,504,786		(3,476)
(DECREASE)/INCREASE IN CASH		647,455		(1,525,929)
CASH AND CASH EQUIVALENTS,				
BEGINNING OF THE PERIOD		111,368		2,498,439
END OF THE PERIOD	$	758,823	$	972,510
REPRESENTED BY:				
Cash		758,823		(33,120)
Cashable guaranteed investment certificates		-		1,005,630
	$	758,823	$	972,510
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	$	2,338	$	7,253

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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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