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NEWS RELEASE
TSX Venture Exchange: NVC

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

-- Continues Strong Year-Over-Year Revenue Growth from Tissue Sales and Consulting Services --

August 19, 2010 - Vancouver, BC, Canada - Neovasc Inc. (TSXV: NVC), today announced financial results for the three and six months ended June 30, 2010.

"In this most recent quarter Neovasc continued to demonstrate robust year-over-year revenue growth from sales of our biological tissue and consulting services businesses," said Alexei Marko, chief executive officer of Neovasc. "We expect that these businesses will continue to experience good growth over the remainder of 2010 and that they will soon be generating positive cash flow. In addition, we anticipate that during the second half of the year we will initiate our COSIRA trial for Neovasc's Reducer product for the treatment of refractory angina. We expect that the results of this study will support our application for European regulatory approval for this potential breakthrough product."

Financial Results
Results for the three and six months ended June 30, 2010 and 2009 follow:

Revenues
Revenues increased 60% year-over-year from $600,324 for the quarter ended June 30, 2009 to $959,920 for the quarter ended June 30, 2010 and increased 112% from $955,808 for the six months ended June 30, 2009 to $2,025,761 for the six months ended June 30, 2010. These increases reflect increased revenues from our tissue products and services business.

Sales of products for the three months ended June 30, 2010 were $646,735, compared to $529,769 in the same quarter of 2009, representing an increase of 22%. Sales of products for the six months ended June 30, 2010 were $1,384,697 compared to $828,399 for the same period of 2009, representing an increase of 67%. The revenues in the first three months and six months of 2010 include sales of Peripatch tissue products and contract manufacturing revenues, while in the prior periods they included Peripatch, contract manufacturing and Metricath catheter product sales. The Company ceased manufacture of its Metricath product at the end of 2009.

Revenue from consulting services for the three months ended June 30, 2010 were $313,185, compared to $70,555 in the same quarter in 2009, representing an increase of 344%. Revenue from consulting services for the six months ended June 30, 2010 were $641,064, compared to $127,409 for the same period of 2009, representing an increase of 403%. Neovasc intends to seek further opportunities to expand its consulting services business.

Cost of Sales
The cost of sales for the three and six months ended June 30, 2010 was $612,626 and $1,195,571 respectively, compared to $277,265 and $427,025 in the comparable periods in 2010. The overall gross margin was 36% for the second quarter of 2010 and 41% for the first six months of 2010, compared to gross margins of 54-55% reported in the same periods in 2009.

The decline in gross margins during 2010 reflects the impact of sales volume discounts to customers, a shift in product mix and exchange rates. In the six months ended June 30, 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.

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Expenses

Total expenses for the three and six months ended June 30, 2010 were $1,279,931 and $2,165,140, respectively, as compared to $1,687,389 and $3,617,883 for the same periods in 2009, representing a decrease of $407,458 and $1,452,743, respectively.

Sales and marketing expenses declined 70% to $49,358 for the three months ended June 30, 2010, from $163,683 for the same period in 2009, and declined 80% to $94,249 for the six months ended June 30, 2010 from $466,568 for the same period in 2009. Neovasc terminated its direct sales force for its catheter products in the fourth quarter of 2008, while paying severance costs into the early part of 2009. The Company 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 $697,125 and $1,184,328 for the three and six months ended June 30, 2010, respectively, as compared to $659,004 and $1,409,833 in the comparable periods in 2009, representing an increase of six percent in the second quarter and a decrease of 16% during the first half of 2010. The $38,121 increase in general and administrative expenses in the second quarter reflects an increase in stock-based compensation charges of $147,860, and the decrease in the six-month period reflects the Company's tighter business focus and continued implementation of rigorous cost-cutting measures.

Product development and clinical trial expenses were $533,448 and $886,563 for the three and six months ended June 30, 2010 as compared to $864,702 and $1,741,482 for the same period of 2009, representing a decrease of 38% and 49% respectively, over the same periods in 2009. The decrease in product development and clinical trial expenses primarily reflected expense reductions at Neovasc's Israel operation. During the first six months of 2010, product development expenditures were focused on activities supporting initiation of the Reducer COSIRA trial.

Amortization and Other Expenses

Amortization and other expenses for the three and six months ended June 30, 2010 were $4,252 and $73,068, respectively, as compared to amortization and other income of $33,879 and $12,409 for the same periods in 2009. In the first six months of 2010 the Company experienced a foreign exchange loss of $9,816 compared to a $70,421 gain in the same period of 2009.

Net Losses

The consolidated net loss for the three and six months ended June 30, 2010 was $936,889 and $1,408,180 or $0.03 and $0.04 basic loss per share, respectively, as compared with a net loss of $1,330,451 and $3,076,691 or $0.05 and $0.14 basic loss per share for the comparable periods in 2009.

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, 2010, the Company had cash and cash equivalents of $1,412,271, as compared to cash and cash equivalents of $111,368 at December 31, 2009. In addition, at June 30, 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 June 30, 2010 Neovasc had working capital of $1,804,417 as compared to a negative working capital of $28,502 at December 31, 2009. The increase in working capital during the first six months of 2010 was predominantly due to the net impact of an increase in cash from completion of a non-brokered private placement in February 2010 and an exercise of warrants in April 2010, as well as 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.

Cash used in operations was $736,831 and $1,563,307 for the three and six months ended June 30, 2010, as compared to $1,593,864 and $3,108,346 for the same periods in 2009. The decrease in cash usage for the three and six months ended June 30, 2010 as compared to same periods of 2009 is primarily the result of the Company's increased sales and decreased operating expenses.

Net cash derived from investing activities was $3,287 on property plant and equipment for the three months ended June 30, 2010 due to the proceeds received from the sale of equipment and net cash used in investing activities was $27,568 for the six months ended June 30, 2010, compared to net cash used of $574 and $8,545, respectively, for the same periods in 2009. The Company made minimum purchases of equipment in both periods of 2009 and has undertaken some minor improvements to software and facilities in 2010.

Net cash provided by financing activities was $1,386,992 and $2,891,778 for the three and six months ended June 30, 2010, compared to cash provided of $1,962,399 and $1,958,923 in the same periods of 2009.

On April 23, 2009, Neovasc 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 warrant 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.

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.

On April 23, 2010, Neovasc issued 4,635,114 common shares upon the exercise of warrants issued as part of the Company's April 2009 financing. Proceeds from the exercise of the 4,635,114 warrants amounted to $1,390,534. The remaining 126,788 warrants expired on April 23, 2010.

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Neovasc Inc.
Interim Consolidated Balance Sheets

		June 30, 2010		December 31, 2009
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**1,412,271**	$	111,368
Accounts receivable		**404,507**		442,540
Inventory		**590,787**		404,309
Prepaid expenses and other assets		**52,265**		15,771
		2,459,830		973,988
RESTRICTED CASH AND CASH EQUIVALENTS		**50,000**		50,000
PROPERTY AND EQUIPMENT		**1,208,830**		1,249,326
	$	**3,718,660**	$	2,273,314
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**$**	**615,054**	$	962,512
Current portion of long-term debt		**40,359**		39,978
		655,413		1,002,490
LONG-TERM DEBT		**337,475**		357,097
		992,888		1,359,587
SHAREHOLDERS' EQUITY				
Share capital		**63,590,510**		60,648,625
Contributed surplus		**4,909,527**		4,631,349
Deficit		**(65,774,265)**		(64,366,247)
		2,725,772		913,727
	$	**3,718,660**	$	2,273,314

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Neovasc Inc.

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit

For the three and six months ended June 30

		Three months ended June 30,				Six months ended June 30,		
		2010		2009		**2010**		2009
SALES								
Product sales	**$**	**646,735**	$	529,769	**$**	**1,384,697**	$	828,399
Consulting services		**313,185**		70,555		**641,064**		127,409
		959,920		600,324		**2,025,761**		955,808
COST OF SALES		**612,626**		277,265		**1,195,571**		427,025
GROSS PROFIT		**347,294**		323,059		**830,190**		528,783
EXPENSES								
Selling		**49,358**		163,683		**94,249**		466,568
General and administration		**697,125**		659,004		**1,184,328**		1,409,833
Product development and clinical trials		**533,448**		864,702		**886,563**		1,741,482
Amortization		**30,689**		31,103		**58,152**		63,459
		1,310,620		1,718,492		**2,223,292**		3,681,342
LOSS BEFORE OTHER INCOME (EXPENSES)		**(963,326)**		(1,395,433)		**(1,393,102)**		(3,152,559)
OTHER INCOME (EXPENSES)								
Interest income		**115**		1,355		**229**		10,976
Interest on long-term debt		**(2,991)**		1,724		**(5,329)**		(5,529)
Gain / (Loss) on foreign exchange		**29,313**		61,903		**(9,816)**		70,421
		26,437		64,982		**(14,916)**		75,868
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		**(936,889)**		(1,330,451)		**(1,408,018)**		(3,076,691)
DEFICIT, BEGINNING OF THE PERIOD		**(64,837,376)**		(61,636,203)		**(64,366,247)**		(59,889,963)
DEFICIT, END OF THE PERIOD	**$**	**(65,774,265)**	$	(62,966,654)	**$**	**(65,774,265)**	$	(62,966,654)
BASIC AND DILUTED LOSS PER SHARE	**$**	**(0.03)**	$	(0.05)	**$**	**(0.04)**	$	(0.14)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		**36,656,372**		27,384,365		**33,337,902**		22,570,658
WEIGHTED AVERAGE NUMBER OF FULLY DILUTED SHARES OUTSTANDING		**37,438,485**		28,215,935		**34,121,778**		23,406,692

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Neovasc Inc.
Interim Consolidated Statements of Cash Flows
For the three and six months ended June 30

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
OPERATING ACTIVITIES				
Net loss for the period	**$ (936,889)**	$ (1,330,451)	**$ (1,408,018)**	$ (3,076,691)
Items not affecting cash				
Amortization	**30,689**	31,103	**58,152**	63,459
Loss on disposal of property and equipment	**9,912**	-	**9,912**	-
Stock-based compensation	**188,259**	40,399	**309,044**	126,451
	(708,029)	(1,258,949)	**(1,030,910)**	(2,886,781)
Change in non-cash operating assets and liabilities				
Accounts receivable	**210,403**	(106,089)	**38,033**	28,417
Inventory	**(74,591)**	(35,974)	**(186,478)**	(184,586)
Prepaid expenses and other assets	**(11,654)**	115	**(36,494)**	(6,164)
Accounts payable and accrued liabilities	**(152,960)**	(192,967)	**(347,458)**	(59,232)
	(736,831)	(1,593,864)	**(1,563,307)**	(3,108,346)
INVESTING ACTIVITY				
Proceeds from disposal of equipment	**5,790**	-	**5,790**	-
Purchase of property and equipment	**(2,503)**	(574)	**(33,358)**	(8,545)
	3,287	(574)	**(27,568)**	(8,545)
FINANCING ACTIVITIES				
Repayment of long-term debt	**(9,294)**	(17,287)	**(19,241)**	(22,318)
Proceeds from share issue, net of costs of $22,015	**1,390,534**	1,979,686	**2,905,267**	1,979,686
Proceeds from exercise of stock options	**5,752**	-	**5,752**	1,555
	1,386,992	1,962,399	**2,891,778**	1,958,923
(DECREASE)/INCREASE IN CASH	**653,448**	367,961	**1,300,903**	(1,157,968)
CASH AND CASH EQUIVALENTS,				
BEGINNING OF THE PERIOD	**758,823**	972,510	**111,368**	2,498,439
END OF THE PERIOD	**$ 1,412,271**	$ 1,340,471	**$ 1,412,271**	$ 1,340,471
REPRESENTED BY:				
Cash	**1,412,271**	538,006	**1,412,271**	538,006
Cashable guaranteed investment certificates	**-**	802,465	**-**	802,465
	$ 1,412,271	$ 1,340,471	**$ 1,412,271**	$ 1,340,471
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	**$ 2,991**	$ 2,276	**$ 5,329**	$ 5,529

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About Neovasc Inc.
Neovasc Inc. is a 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 such as percutaneous 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.

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