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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS SECOND QUARTER 2009 FINANCIAL RESULTS

--Growing Traction in Specialty Tissue Business Producing Increased Revenues--
--Neovasc Reducer™ Commercialization Process on Track--

August 19, 2009 - Vancouver, BC, Canada - Neovasc Inc. (TSXV: NVC), today announced financial results for the three and six months ended June 30, 2009.

"During the second quarter we continued to make significant progress in executing on our strategic initiatives adopted late last year," said Alexei Marko, chief executive officer of Neovasc. "We are especially pleased at the growing traction we are seeing in our tissue business, where our decision to focus on our specialty products and services is beginning to bear fruit, with increases in tissue sales already evident. We were pleased in the second quarter to report significantly lower expenses compared to last year, at the same time that we were able to advance the development of our innovative Neovasc Reducer™ device."

Mr. Marko continued, "While holding down costs we have also been able to ramp up our business development activities, and the response to date is very encouraging. On this note, we were delighted that LeMaitre Vascular, one of our key strategic partners, cited our Peripatch product as an important contributor to their second quarter sales growth."

Financial Results

Results for the three and six months ended June 30, 2009 follow. All amounts are in Canadian dollars.

Revenues

Revenues increased 39% year-over-year from $433,061 for the quarter ended June 30, 2008 to $600,324 for the quarter ended June 30, 2009. For the six months ended June 30, 2009, revenues increased 10% to $955,808, up from $866,546 for the six months ended June 30, 2008, primarily reflecting increased revenues from consulting and contract manufacturing services in our tissue products and services business. Sales of tissue and surgical products and services for the three months ended June 30, 2009 were $596,787, compared to $387,157 in the prior year quarter, an increase of 54%. Sales of tissue products and services for the six months ended June 30, 2009 were $936,064, as compared to sales of $740,406 for the same period of 2008, representing an increase of 26%. These revenues include sales of Neovasc's Peripatch products, as well as consulting services and contract manufacturing revenues for tissue and surgical products. The company is continuing to develop additional consulting services and contract manufacturing clients. Sales of Metricath® catheter products for the six months ended June 30, 2009 were $19,744, an 84% decrease over sales of $126,140 in the comparable period in 2008. The termination of our direct sales force for Metricath products at the end of 2008, a strategic decision undertaken to enable the company to focus on its most promising growth opportunities, contributed to this decrease in sales.

Cost of Sales

The cost of sales for the three and six months ended June 30, 2009 were $277,265 and $427,025, respectively, as compared to $220,344 and $428,604 in the comparable periods in 2008. The overall gross margin for the first half of 2009 rose to 55%, 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 six months ended June 30, 2009 were $1,687,389 and $3,617,883, respectively, as compared to $2,074,216 and $3,983,750 for the same periods in 2008. Total expenses declined more than 18% year-on-year for the three-month period and more than 9% for the six-month period. Sales and marketing

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expenses declined 79% for the three months ended June 30, 2009, from $785,491 in 2008 to $163,683 for the same period in 2009. For the six months ended June 30, 2009, sales and marketing expenses were $466,568, compared to $1,534,995 for the same period in 2008, a 70% decrease. 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 for the three and six months ended June 30, 2009 were $659,004 and $1,409,833, respectively, as compared to $779,363 and $1,317,648 for the comparable periods in 2008, a decrease of 15% for the three-month period and an increase of 7% for the six-month period. Substantially all of the increase in general and administrative expenses in the six-month period reflects an increase in stock-based compensation charges. Product development and clinical trial expenses were $864,702 and $1,741,482 respectively, for the three and six months ended June 30, 2009, as compared to $414,958 and $1,036,703 for the same periods in 2008, representing increases of 108% and 68% respectively. Product development expenditures to advance the Neovasc Reducer CE mark regulatory submission and the final Metricath Gemini PMA submission contributed to the increase.

Net Losses

The consolidated net loss for the three and six months ended June 30, 2009 was $1,330,451 and $3,076,691, or $0.05 and $0.14 basic loss per share, as compared to a net loss of $1,915,673 and $3,657,248, or $0.34 and $0.66 basic loss per share for the comparable periods in 2008. The decrease in net loss year-on-year reflects the company's increased revenues and decreased losses.

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 June 30, 2009, the company had cash and cash equivalents of $1,340,471, as compared to cash and cash equivalents of $2,498,439 at December 31, 2008. In addition, at June 30, 2009, the company had restricted cash related to a security on long-term debt of $50,000 included in long-term assets. At June 30, 2009, the company had working capital of $1,168,101, as compared to working capital of $2,123,519 at December 31, 2008. The decrease in working capital during the six months ended June 30, 2009 was predominantly due to a decline in cash and an increase in accounts receivable and in accounts payable associated with the growth in operations from the expansion of our tissue business and the development of the Neovasc Reducer. Cash used in operations was $1,593,864 and $3,108,346 for the three and six months ended June 30, 2009 respectively, as compared to $1,527,982 and $3,327,793 for the same periods of 2008. The decrease in cash usage for the six months ended June 30, 2009 as compared to the same period of 2008 is primarily the result of the company's decrease in marketing expenses in 2009. The company made minimum equipment purchases in both periods and investing activities were minimal. Net cash provided from financing activities was $1,962,399 and $1,958,923 for the three and six months ended June 30, 2009, compared to cash used of $9,920 and $16,418 in the same periods in 2008. 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 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.

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

	June 30, 2009	December 31, 2008
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 1,340,471**	$ 2,498,439
Accounts receivable	**441,783**	470,200
Inventory	**526,150**	341,564
Prepaid expenses and other assets	**58,520**	52,356
	2,366,924	3,362,559
RESTRICTED CASH AND CASH EQUIVALENTS	**50,000**	50,000
RETIREMENT ASSETS	**8,320**	8,320
PROPERTY AND EQUIPMENT	**1,344,730**	1,399,644
	$ 3,769,974	$ 4,820,523
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 1,159,173**	$ 1,218,405
Current portion of long-term debt	**39,650**	20,635
	1,198,823	1,239,040
LONG-TERM DEBT	**377,279**	418,612
RETIREMENT LIABILITIES	**8,964**	8,964
	1,585,066	1,666,616
SHAREHOLDERS' EQUITY		
Share capital	**60,588,307**	58,607,066
Contributed surplus	**4,563,255**	4,436,804
Deficit	**(62,966,654)**	(59,889,963)
	2,184,908	3,153,907
	$ 3,769,974	$ 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 six months ended June 30

	Three months ended June 30		Six months ended June 30	
	2009	2008	**2009**	2008
SALES				
Product sales	**$ 529,769**	$ 433,061	**$ 828,399**	$ 837,924
Consulting services	**70,555**	-	**127,409**	28,622
	600,324	433,061	**955,808**	866,546
COST OF SALES,				
including underutilized capacity of $16,038 (2008: $25,144)	**277,265**	220,344	**427,025**	428,604
GROSS PROFIT	**323,059**	212,717	**528,783**	437,942
EXPENSES				
Selling	**163,683**	785,491	**466,568**	1,534,995
General and administration	**659,004**	779,363	**1,409,833**	1,317,648
Product development and clinical trials	**864,702**	414,958	**1,741,482**	1,036,703
Inventory write down	**-**	94,404	**-**	94,404
Amortization	**31,103**	75,670	**63,459**	121,436
	1,718,492	2,149,886	**3,681,342**	4,105,186
LOSS BEFORE OTHER INCOME (EXPENSES)	**(1,395,433)**	(1,937,169)	**(3,152,559)**	(3,667,244)
OTHER INCOME (EXPENSES)				
Interest income	**1,355**	14,208	**10,976**	23,303
Interest on long-term debt	**(2,276)**	(5,021)	**(5,529)**	(12,535)
Accreted interest on repayable contribution agreement	**-**	(3,846)	**-**	(7,685)
Gain (Loss) on foreign exchange	**65,903**	16,155	**70,421**	6,913
	64,982	21,496	**75,868**	9,996
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(1,330,451)**	(1,915,673)	**(3,076,691)**	(3,657,248)
DEFICIT, BEGINNING OF PERIOD	**(61,636,203)**	(27,371,973)	**(59,889,963)**	(25,630,398)
DEFICIT, END OF PERIOD	**$ (62,966,654)**	$ (29,287,646)	**$ (62,966,654)**	$ (29,287,646)
BASIC AND DILUTED LOSS PER SHARE	**$ (0.05)**	$ (0.34)	**$ (0.14)**	$ (0.66)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,384,365**	5,560,477	**22,570,658**	5,560,477
WEIGHTED AVERAGE NUMBER OF FULLY DILUTED SHARES OUTSTANDING	**28,215,935**	5,560,477	**23,406,692**	5,560,477

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

	Three months ended June 30		Six months ended June 30	
	2009	2008	**2009**	2008
OPERATING ACTIVITIES				
Net loss for the period	**$ (1,330,451)**	$ (1,915,673)	**$ (3,076,691)**	$ (3,657,248)
Items not affecting cash				
Inventory write down	**-**	94,404	**-**	94,404
Amortization	**31,103**	75,670	**63,459**	121,436
Interest on repayable contribution agreement	**-**	3,846	**-**	7,685
Stock-based compensation	**40,399**	16,457	**126,451**	29,740
	(1,258,949)	(1,725,296)	**(2,886,781))**	(3,403,983)
Change in non-cash operating assets and liabilities				
Accounts receivable	**(106,089)**	38,235	**28,417**	228,316
Inventory	**(35,974)**	81,126	**(184,586)**	(88,034)
Prepaid expenses and other assets	**115**	(40,440)	**(6,164)**	(169,585)
Accounts payable and accrued liabilities	**(192,967)**	118,393	**(59,232)**	105,493
	(1,593,864)	(1,527,982)	**(3,108,346)**	(3,327,793)
INVESTING ACTIVITY				
Purchase of property and equipment	**(574)**	(6,510)	**(8,545)**	(13,692)
	(574)	(6,510)	**(8,545)**	(13,692)
FINANCING ACTIVITIES				
Repayment of long-term debt	**(17,287)**	(7,265)	**(22,318)**	(12,035)
Repayment of repayable contribution agreement	**-**	(2,655)	**-**	(4,383)
Proceeds from share issue, net of costs	**1,979,686**	-	**1,979,686**	-
Proceeds from exercise of stock options	**-**	-	**1,555**	-
	1,962,399	(9,920)	**1,958,923**	(16,418)
(DECREASE)/INCREASE IN CASH	**367,961**	(1,544,412)	**(1,157,968)**	(3,357,903)
CASH AND CASH EQUIVALENTS,				
BEGINNING OF PERIOD	**972,510**	1,428,913	**2,498,439**	3,242,404
END OF PERIOD	**$ 1,340,471**	$ (115,499)	**$ 1,340,471**	$ (115,499)
REPRESENTED BY:				
Cash	**538,006**	(234,346)	**538,006**	(234,346)
Cashable guaranteed investment certificates	**802,465**	118,847	**802,465**	118,847
	$ 1,340,471	$ (115,499)	**$ 1,340,471**	$ (115,499)
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	**$ 2,276**	$ 5,021	**$ 5,529**	$ 12,535

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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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