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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS FINANCIAL RESULTS FOR THIRD QUARTER OF 2013

--Year-over-Year Third Quarter Revenues Increased 81% Fuelled by Growth in Consulting Services and Contract Manufacturing--
--Reported Positive Topline Results from Neovasc Reducer™ Trial and Published Positive Preclinical Data from Tiara™ Mitral Valve Program--

November 20, 2013 - Vancouver, BC, Canada - Neovasc Inc. ("Neovasc") (TSXV: NVC), today announced financial results for the three and six months ended September 30, 2013.

"Neovasc continued to deliver strong financial results in the third quarter, and after quarter's end we reported major advances in both our Neovasc Reducer™ and Tiara™ new product programs," commented Alexei Marko, chief executive officer of Neovasc. "These robust results support our strategy of concentrating on providing specialized tissue products and services to medical device firms focusing on structural heart disease. Our contract manufacturing and consulting services businesses provide components, commercial manufacturing and consulting services to these companies, and we anticipate continued growth as our customers' new product programs advance towards commercialization. We are on track to deliver our 5th year of average 50% revenue growth, which has enabled us to advance our new product pipeline programs while minimizing the need for additional capital."

Mr. Marko continued, "During the past weeks, Neovasc reported major strides in our new product programs. We announced positive topline results from our COSIRA trial assessing the efficacy and safety of the Neovasc Reducer in patients disabled by untreatable angina. The results exceeded our high expectations, clearly meeting the primary endpoint and demonstrating that the Reducer was safe and effective. These impressive results and the relative ease of implanting the Reducer suggest that it has the potential to transform the treatment of severe angina. We will be presenting additional COSIRA data at upcoming scientific meetings and are now working to secure a suitable partner for the Reducer in the EU and other markets. We also will be meeting with the FDA to seek guidance on our US regulatory strategy."

"In late October, we reported positive preclinical data for the Tiara transcatheter mitral value replacement device in development for the treatment of mitral regurgitation," added Mr. Marko. "Data from acute and chronic animal studies presented at the 2013 TCT scientific symposium and simultaneously published in a major cardiac journal concludes that implantation of the Tiara valve is technically feasible, safe and results in a stable and well-functioning mitral replacement. These results help set the stage for our first-in-human clinical studies, which we expect to initiate during 2014 at major medical centers in Vancouver and Antwerp. The Tiara program was further strengthened by the recent issuance of its first US patent, which is part of an extensive intellectual property portfolio Neovasc has created to protect this innovative technology. We are excited about the potential of this program that addresses a major unmet need for minimally invasive devices to treat the millions of patients with mitral regurgitation who are not candidates for conventional surgical therapy."

Christopher Clark, chief financial officer of Neovasc, commented, "It is noteworthy that our recent progress was achieved while conserving our cash resources. Increased development expenditures during the year have been directed to advancing our new product programs and were offset by funds generated from our existing tissue business and the exercise of all our remaining warrants. As a result, we believe that we have sufficient funds on hand to take Tiara into initial human clinical trials during 2014."

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DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

Results for the three and nine months ended September 30, 2013 and 2012 follow:

Revenues
For the three months ended September 30, 2013, revenues increased by 81% to $3,633,891, compared to revenues of $2,005,940 for the same period in 2012. For the nine months ended September 30, 2013, revenues increased by 58% to $8,436,086, compared to revenues of $5,353,539 for the same period in 2012.

Product sales for the three months ended September 30, 2013 were $654,809, compared to $946,117 in the same period of 2012, representing a decrease of 31%. Product sales for the nine months ended September 30, 2013 were $2,011,688, compared to $2,397,985 in the same period of 2012, representing a decrease of 16%. These figures 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 the company receives appropriate regulatory approvals and starts 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 September 30, 2013 were $583,466, compared to $527,557 in the same period of 2012, representing an increase of 11%. Contract manufacturing revenues for the nine months ended September 30, 2013 were $1,679,976, compared to $1,327,363 in the same period of 2012, representing an increase of 27%. 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 September 30, 2013 were $2,395,616, compared to $532,266 in the same period in 2012, representing an increase of 350%. Revenues from consulting services for the nine months ended September 30, 2013 were $4,744,422, compared to $1,628,191 in the same period in 2012, representing an increase of 191%. 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.

Where possible the Company updates its charge out rates and product prices on an annual basis to maintain its margins and reflect increases in the cost of goods sold. Most customer contracts include a mechanism to calculate the price increase or to limit the maximum increase allowable each year.

Cost of Goods Sold
The cost of goods sold for the three and nine months ended September 30, 2013 were $2,160,092 and $5,027,528, respectively, as compared to $1,275,096 and $3,149,177 for the same periods in 2012. The overall gross margins for the three and nine months ended September 30, 2013 were 41% and 40%, compared to 36% and 41% 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.

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Expenses

Total expenses for the three and nine months ended September 30, 2013 were $2,895,782 and $8,205,049, respectively, as compared to $1,927,980 and $6,177,748 for the same periods in 2012, representing an increase of 50% and 33%, respectively. The increase in total expenses for the three months ended September 30, 2013 as compared to the same period in 2012 reflects an increase in product development and clinical trial expenses of $928,668 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 nine months ended September 30, 2013 as compared to the same period in 2012 reflects increases in general and administrative expenses of $569,394, primarily from one-time non-recurring expenses, as well as product development and clinical trial expenses of $1,530,362 to advance the Tiara and Neovasc Reducer development programs.

Selling expenses for the three and nine months ended September 30, 2013 were $7,366 and $60,058, respectively, as compared to $40,503 and $132,513 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.

General and administrative expenses for the three and nine months ended September 30, 2013 were $1,009,473 and $3,663,868, respectively, as compared to $937,202 and $3,094,474 for the same periods of 2012, representing an increase of $72,271, an 8% increase, and an increase of $569,394, an 18% 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 nine months ended September 30, 2013 were $1,878,943 and $4,481,123, respectively, as compared to $950,275 and $2,950,761 for the same periods in 2012, representing an increase of $928,668 and $1,530,362, or 98% and 52%, respectively. The increase in product development and clinical trial expenses was 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.

The Company's expenses are subject to inflation and cost increases. Salaries and wages have increased on average by 3% in the nine month period ended September 30, 2013 and the comparative period of 2012. The Company has not seen a significant increase in the price of any of the components used in the manufacture of its products and services.

Other income

The other loss for the three months ended September 30, 2013 was $17,843 and other income for the nine months ended September 30, 2013 was $258,116, as compared to other loss of $9,778 and $15,174 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 nine months of 2013.

Loss

The losses for the three and nine months ended September 30, 2013 were $1,439,826 and $4,538,375, or $0.03 and $0.10 basic and diluted loss per share, respectively, as compared with a loss of $1,206,914 and $3,988,560, or $0.03 and $0.09 basic and diluted loss per share, for the comparable periods in 2012. The $232,912 increase in the loss incurred for the three months ended September 30, 2013 as compared to the same period in 2012 can be substantially explained by a $224,847 increase in operating losses as the result of increases in general and administrative expenses and product development and clinical trials expenses. The $549,815 increase in the loss incurred for the nine months ended September 30, 2013 as compared to the same period in 2012 can be substantially explained by a $823,105 increase in operating losses as the result of increases in product

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development and clinical trials expenses, which were partly offset by a $273,290 increase in other income due to a significant gain on foreign exchange in 2013.

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 September 30, 2013, the Company had cash and cash equivalents of $4,172,285 as compared to cash and cash equivalents of $2,029,241 at September 30, 2012.

Cash used in operating activities for the three and nine months ended September 30, 2013 was $1,573,872 and $3,605,021 respectively, as compared to $445,147 and $1,673,554 for the same periods in 2012. The increase in cash used for the three months ended September 30, 2013, compared to the same period of 2012, is principally due to an increase in operating expenses and an increase in cash absorbed by working capital items. For the three months ended September 30, 2013, operating expenses were $1,102,435, compared to $596,118 for the same period in 2012 as more expenses were incurred in research and development and clinical trials activities. Working capital items absorbed cash of $469,197, compared to working capital items generating cash of $147,605 for the same period in 2012, as accounts receivable and inventory absorbed more cash associated with increased production activities and revenue growth. For the nine months ended September 30, 2013, operating expenses were $2,773,226, compared to $2,034,061 for the same period in 2012, as more expenses were incurred in general and administrative and research and development and clinical trials activities. Working capital items absorbed cash of $824,844, compared to working capital items generating cash of $340,724 for the same period in 2012, as accounts receivable and inventory absorbed cash associated with increased production activities and revenue growth.

Net cash invested in capital assets was $111,150 and $1,004,182 for the three and nine months ended September 30, 2013, respectively, compared to net cash invested in capital assets of $39,872 and $232,313 for the same periods in 2012. During the three months ended September 30, 2012, a $1,504,258 investment in GICs maturing on October 15, 2012 was re-classified as cash equivalents. During the three and nine months ended September 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 $389,530 and $2,920,368 for the three and nine months ended September 30, 2013, respectively, compared to cash used by financing activities of $114,488 for the three months ended September 30, 2012 and cash provided by financing activities of $26,308 for the nine months ended September 30, 2012. During the first nine months of 2013, the Company issued 2,335,250 common shares, upon the exercise of warrants issued as part of the Company's August 2011 financing. Proceeds received from the exercise of the 2,335,250 warrants amounted to $2,919,062.

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 nine months ended September 30, 2013 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 September 30, 2013 were denominated in Canadian dollars. The Company is exposed to foreign currency fluctuations on $906,981 of its cash and cash equivalents held in United States dollars and European euros.

SUBSEQUENT EVENTS

On October 29, 2013, the Company received $345,000 USD as full and final payment for the sale of a license to LeMaitre Vascular, Inc.

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Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in Canadian dollars)

	September 30, 2013	December 31, 2012 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	**$ 4,172,285**	$ 5,861,120
Accounts receivable	**2,127,960**	1,248,271
Inventory	**478,085**	191,942
Prepaid expenses and other assets	**58,167**	29,891
Total current assets	**6,836,497**	7,331,224
Non-current assets		
Property, plant and equipment	**2,294,725**	1,467,372
Total non-current assets	**2,294,725**	1,467,372
Total assets	**$ 9,131,222**	$ 8,798,596
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,436,547**	$ 1,067,283
Current portion of long-term debt	**43,342**	42,540
Total current liabilities	**1,479,889**	1,109,823
Non-current liabilities		
Long-term debt	**210,377**	241,083
Total non-current liabilities	**210,377**	241,083
Total liabilities	**1,690,266**	1,350,906
Equity		
Share capital	**73,398,691**	70,421,185
Contributed surplus	**9,924,393**	8,370,258
Deficit	**(75,882,128)**	(71,343,753)
Total equity	**7,440,956**	7,447,690
Total liabilities and equity	**$ 9,131,222**	$ 8,798,596

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Interim Consolidated Statements of Comprehensive Loss (Unaudited)

For the three and nine months ended September 30,
(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30	
	2013	2012	**2013**	2012
REVENUE				
Product sales	**$ 654,809**	$ 946,117	**$ 2,011,688**	$ 2,397,985
Contract manufacturing	**583,466**	527,557	**1,679,976**	1,327,363
Consulting services	**2,395,616**	532,266	**4,744,422**	1,628,191
	3,633,891	2,005,940	**8,436,096**	5,353,539
COST OF GOODS SOLD	**2,160,092**	1,275,096	**5,027,528**	3,149,177
GROSS PROFIT	**1,473,799**	730,844	**3,408,558**	2,204,362
EXPENSES				
Selling expenses	**7,366**	40,503	**60,058**	132,513
General and administrative expenses	**1,009,473**	937,202	**3,663,868**	3,094,474
Product development and clinical trials expenses	**1,878,943**	950,275	**4,481,123**	2,950,761
	2,895,782	1,927,980	**8,205,049**	6,177,748
OPERATING LOSS	**(1,421,983)**	(1,197,136)	**(4,796,491)**	(3,973,386)
OTHER INCOME/(EXPENSE)				
Interest income	**-**	5,950	**-**	27,783
Interest expense	**(2,240)**	(2,584)	**(6,951)**	(8,000)
(Loss)/gain on foreign exchange	**(15,603)**	(13,144)	**265,067**	(34,957)
	(17,843)	(9,778)	**258,116**	(15,174)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (1,439,826)**	$ (1,206,914)	**$ (4,538,375)**	$ (3,988,560)
LOSS PER SHARE				
Basic and diluted loss per share	**$ (0.03)**	$ (0.03)	**$ (0.10)**	$ (0.09)

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Interim Consolidated Statements of Cash Flows (Unaudited)

For the three and nine months ended September 30,
(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30	
	2013	2012	**2013**	2012
OPERATING ACTIVITIES				
Loss for the year	**$ (1,439,826)**	$ (1,206,914)	**$ (4,538,375)**	$ (3,988,560)
Adjustments for:				
Depreciation	**89,503**	36,704	**176,829**	97,467
Share-based payments	**245,648**	577,458	**1,581,369**	1,876,815
Interest income	**-**	(5,950)	**-**	(27,783)
Interest expense	**2,240**	2,584	**6,951**	8,000
	(1,102,435)	(596,118)	**(2,773,226)**	(2,034,061)
Net change in non-cash working capital items:				
Accounts receivable	**(425,371)**	(234,820)	**(879,689)**	(34,693)
Inventory	**(41,670)**	125,798	**(286,143)**	(93,749)
Prepaid expenses and other assets	**63,032**	496	**(28,276)**	(29,801)
Accounts payable and accrued liabilities	**(65,188)**	256,131	**369,264**	498,967
	(469,197)	147,605	**(824,844)**	340,724
Interest paid and received:				
Interest received	**-**	5,950	**-**	27,783
Interest paid	**(2,240)**	(2,584)	**(6,951)**	(8,000)
	(2,240)	3,366	**(6,951)**	19,783
	(1,573,872)	(445,147)	**(3,605,021)**	(1,673,554)
INVESTING ACTIVITES				
Decrease/(Increase) in investments in GICs	**-**	1,504,258	**-**	1,504,290
Purchase of property, plant and equipment	**(111,150)**	(39,872)	**(1,004,182)**	(232,313)
	(111,150)	1,464,386	**(1,004,182)**	1,271,977
FINANCING ACTIVITIES				
Increase in bank overdraft	**(80,110)**	(145,927)	**-**	-
Decrease in restricted cash & cash equivalents	**-**	41,040	**-**	40,840
Repayment of long-term debt	**(10,045)**	(9,701)	**(29,904)**	(28,855)
Proceeds from exercise of warrants	**472,187**	-	**2,919,062**	-
Proceeds from exercise of options	**7,498**	100	**31,210**	14,323
	389,530	(114,488)	**2,920,368**	26,308
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(1,295,492)**	904,751	**(1,688,835)**	(375,269)
CASH AND CASH EQUIVALENTS				
Beginning of the period	**5,467,777**	1,124,490	**5,861,120**	2,404,510
End of the period	**$ 4,172,285**	$ 2,029,241	**$ 4,172,285**	$ 2,029,241
Represented by:				
Cash	**$ 4,172,285**	$ 519,690	**$ 4,172,285**	$ 519,690
Cashable guaranteed investment certificates	**-**	1,509,551	**-**	1,509,551
	$ 4,172,285	$ 2,029,241	**$ 4,172,285**	$ 2,029,241
	$ 4,172,285	$ 2,029,241	**$ 4,172,285**	$ 2,029,241

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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.

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