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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC INC. REPORTS FINANCIAL RESULTS FOR 2013

--2013 A Year of Transition as Tiara™ Transcatheter Mitral Valve Replacement Device and Neovasc Reducer™ for Refractory Angina Reach Key Milestones--

--Company Also Announces Issuance of Incentive Options to Directors, Management and Staff--

April 17, 2014 - Vancouver, BC, Canada - Neovasc Inc. ("Neovasc") (TSXV: NVC), today announced financial results for the year ended December 31, 2013.

"The past 12 months have been an exciting time for Neovasc, as we made major strides in both our development programs and in our core tissue business," commented Neovasc CEO Alexei Marko. "Neovasc achieved its key milestones, including undertaking the first implantations of the Tiara™ mitral valve replacement device in humans as well as completing the Reducer ™ COSIRA trial and presenting positive results at the 2014 annual meeting of the American College of Cardiology. The early success of the first Tiara implantations has generated considerable excitement among those working in the structural heart disease field, and the results to date, while preliminary, are very encouraging for the future of this program. The positive data from the COSIRA trial sets the stage for full commercialization of the Reducer in Europe and provides a foundation to begin seeking approvals for clinical trials to support FDA clearance, which would allow sale of the product in the U.S."

Mr. Marko added, "We are aiming to continue to grow our revenues as we increasingly shift our lower margin legacy surgical patch manufacturing business to higher margin specialty consulting and contract manufacturing services, primarily for developers of transcatheter heart valves. As expected, we incurred higher losses in 2013 compared to the earlier year period as we ramped up product development and clinical trial investments for both the Tiara and Reducer programs. We expect these higher outlays to continue through 2014 as we continue to advance the Tiara product and generate the clinical data needed for regulatory clearance to market Tiara in Europe and initiate trials to support FDA clearance for Reducer. We believe these investments will continue to benefit the company, and we are pleased that the value of the company's advances over the past year are increasingly being recognized by the investment community."

Christopher Clark, CFO of Neovasc, noted, "We are continuing to manage our finances in a prudent manner while also ensuring that we have the resources needed to advance our two high value new product programs as expeditiously as possible. In March we closed a Canadian $25 million bought equity financing that fortified our cash position, providing us the resources we need to sustain the momentum in these programs."

Neovasc's board of directors has approved amendments to its stock option plan to, among other things, increase the number of options exercisable into common shares available for grant to twenty percent of Neovasc's issued and outstanding common shares. The amendments to the stock option plan remain subject to the approval of Neovasc shareholders at the next annual general meeting and to the approval of the TSX Venture Exchange.

Neovasc also announces that its Board of Directors granted a total of 1,670,000 stock options (the "Options") to Neovasc directors, management and staff. The Options have an exercise price of $6.50, the equivalent to Neovasc's closing market price of $6.50 on the date of the grant. The Options will vest as follows: (i) 350,000 immediately on the date of the grant; (ii) 1,100,000 on December 31, 2014, contingent upon management achieving certain performance milestones established by the Board of Directors; and (iii) 220,000 of which 20% vest immediately and 20% vest on each of the next four anniversaries of the date of grant. Of the 1,670,000 newly

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granted Options, 1,100,000 have been drawn from the increased option pool created as a result of the new stock option plan amendments and as such, remain subject to Neovasc receiving the applicable shareholder and TSX Venture Exchange approvals prior to their exercise.

2013 HIGHLIGHTS

TIARA™ TRANSCATHETER MITRAL VALVE REPLACEMENT DEVICE

- Following year end, Neovasc reported the implantation of the first two human patients with its Tiara transcatheter mitral valve at St. Paul's Hospital in Vancouver, Canada. The implantations were completed quickly and without complications. Initial details of these first cases were presented at ACC.14, the American College of Cardiology 63rd Annual Scientific Session & Expo, in March 2014. Further details of these cases will be presented at EuroPCR 2014 to be held May 20-23, 2014.
- On November 13, Neovasc reported that the first patent covering the company's Tiara transcatheter mitral valve technology had been issued by the US Patent and Trademark Office. The new patent protects key aspects of the Tiara mitral valve prosthesis. It is the first patent to issue from a portfolio of US and international patent applications Neovasc has filed aimed at establishing an extensive intellectual property estate covering the entire Tiara program.
- On October 29, 2013, a review of results from preclinical studies of Neovasc's Tiara mitral replacement valve was published in *JACC: Cardiovascular Interventions*. The review concluded that implantation of the Tiara valve is technically feasible, safe and results in a stable and well-functioning mitral bioprosthesis.
- In October, 2013, preclinical Tiara data were featured in two sessions at the 25th Annual Transcatheter Cardiovascular Therapeutics (TCT) scientific symposium.
- In May, 2013, Neovasc researchers presented positive data on Tiara implantations in animals at EuroPCR 2013. The data, which showed that the Tiara mitral valve device functioned well and was well tolerated for the full 150 days of the study, helped set the stage for the first human implantations in early 2014.

PERCUTANEOUS NEOVASC REDUCER DEVICE FOR TREATMENT OF REFRACTORY ANGINA

- After the close of the year, on March 29, 2014, data from the COSIRA trial assessing the efficacy and safety of the Neovasc Reducer was presented in a Featured Clinical Research Presentation at ACC.14. The presentation included the positive topline efficacy and safety data first reported in late 2013, as well as new data showing that patients receiving the Reducer also demonstrated substantial improvement on important secondary endpoints.
- In November, 2013, Neovasc announced topline data indicating that the COSIRA Reducer trial had met its primary endpoint, significantly improving the symptoms and functioning of patients disabled by previously untreatable refractory angina. The data confirmed that the Neovasc Reducer is well-tolerated, with no reports of device-related serious adverse events.
- In March, 2013, Neovasc reported initial data from open label patient Registries that are tracking the progress of refractory angina patients implanted with the Neovasc Reducer. Six-month follow up data from 15 patients showed that their angina and physical disability were significantly improved after Reducer implantation.

OTHER DEVELOPMENTS

- After the close of the year, on March 26, 2014, Neovasc confirmed that it had closed a C$25,152,000 bought deal equity financing first announced on March 3, 2014. The financing was underwritten by Cormark Securities, which placed 4,192,000 common shares of Neovasc stock at a price of C$6.00 per common share, for gross proceeds of C$25,152,000.

DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

Results for the years ended December 31, 2013 and 2012 follow:

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Revenues
Revenues increased 50% year-over-year to $11,747,636 for the year ended December 31, 2013, compared to revenues of $7,819,154 for the same period in 2012.

Product sales for the year ended December 31, 2013 were $2,694,977, compared to $3,264,851 for the same period in 2012, representing a decrease of 17%. Product sales are solely comprised of sales of surgical patches to LeMaitre. On the sale of a license to LeMaitre to produce these surgical patches in-house, Neovasc also agreed to continue to supply LeMaitre with surgical patches at a significant price discount, until LeMaitre receives appropriate regulatory approvals and start manufacture of the surgical patches themselves. LeMaitre anticipates receiving the appropriate regulatory approvals towards the end of 2014. At that time, Neovasc will cease manufacturing all surgical patches for LeMaitre.

Contract manufacturing revenues for the year ended December 31, 2013 were $1,776,893, compared to $2,005,058 for the same period in 2012, representing a decrease of 11%. In the fourth quarter of 2013, there was a significant decrease in contract manufacturing revenues, as one customer adopted a new sterilization process and no product could be sterilized or shipped until this adoption is completed. Work in Progress also increased as Neovasc continued to manufacture up to the point of sterilization and it is anticipated that revenues will resume in the first half of 2014.

Revenues from consulting services for the year ended December 31, 2013 were $7,275,766, compared to $2,549,245 for the same period in 2012, representing an increase of 185%. The bulk of the growth in 2013 was the result of the Company growing consulting revenues earned with each of its top five consulting services customers and to a lesser extent attracting a number of new smaller customers. 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 year ended December 31, 2013 was $7,083,877, compared to $4,640,302 for the same period in 2012. The overall gross margin for the year ended December 31, 2013 was 40%, compared to 41% gross margin for the same period 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 year ended December 31, 2013 were $11,772,728, compared to $8,107,079 for the same period in 2012, representing an increase of 45%. The increase in total expenses for the year ended December 31, 2013 compared to the same period in 2012 reflects increases in general and administrative expenses of $888,985, primarily from one-time non-recurring expenses and legal and other expenses associated with strategic and product development activities, as well as product development and clinical trial expenses of $2,867,262 to advance the Tiara and Reducer development programs.

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Selling expenses for the year ended December 31, 2013 were $78,475, compared to $169,073 for the same period 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 year ended December 31, 2013 were $4,846,935, compared to $3,957,950 for the same period in 2012, representing an increase of $888,985, or 22%. In 2013, the Company incurred additional 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 year ended December 31, 2013 were $6,847,318, compared to $3,980,056 for the same period in 2012, representing an increase of $2,867,262, or 72%. 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 Reducer and advancing the 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 year ended December 31, 2013 compared to the same period in 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 income for the year ended December 31, 2013 was $358,719, compared to other income of $4,576,859 for the same period in 2012. The Company has benefited from significant foreign exchange gains on its foreign currency-denominated cash and cash equivalents in 2013. On October 31, 2012, Neovasc finalized its agreement with LeMaitre Vascular allowing LeMaitre to exercise its option to purchase certain specific rights to Neovasc's biological vascular surgical patch product technology on an accelerated basis, at an agreed price of US $4,600,000.

Loss
The losses for the year ended December 31, 2013 were $6,750,250, or $0.14 basic and diluted loss per share, compared with a loss of $351,368, or $0.01 basic and diluted loss per share for the same period in 2012. The $6,398,882 increase in the loss incurred for the year ended December 31, 2013 compared to the same period in 2012 can be substantially explained by an increase in operating losses, mostly through increases in product development and clinical trials expenses in 2013, and a decrease in other income as 2012 saw unusually high income generated through a gain on sale of a license. On October 31, 2012, Neovasc finalized its agreement with LeMaitre allowing LeMaitre to exercise its option to purchase certain specific rights to Neovasc's biological vascular surgical patch product technology on an accelerated basis, at an agreed price of US$4,600,000.

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 December 31, 2013, the Company had cash and cash equivalents of $3,403,472 compared to cash and cash equivalents of $5,861,120 at December 31, 2012.

In 2013, cash used in operating activities was $4,683,103 compared to $2,037,440 for the same period in 2012. The increase was principally due to an increase in operating expenses and a decrease in cash generated by working capital items. In 2013, operating expenses were $4,517,510, compared to $2,465,923 for the same period in 2012, as more expenses were incurred in research and development and clinical trials activities. Working capital items used cash of $167,893, compared to working capital items generating cash of $410,390 for the same period in 2012, as accounts receivable and inventory absorbed more cash associated with increased production activities

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and revenue growth and the increase in work in progress related to one customer changing their sterilization process.

In 2012, $4,253,298 was received from LeMaitre as the first payment of the proceeds from sale of a license and in 2013 $344,862 was received as full and final payment for the license (as discussed in the "Loss" section). In 2013, the Company invested $1,041,188 in property, plant and equipment, compared to $312,586 for the same period in 2012. During 2013, the Company invested capital to expand its clean room and manufacturing facilities and research and development capabilities. Finally, in 2012, a $1,504,290 investment in GICs maturing on October 15, 2012 was re-classified as cash equivalents.

In 2013, net cash provided by financing activities was $2,921,781 compared to $49,048 for the same period in 2012. During 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 year ended December 31, 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 December 31, 2013 were denominated in Canadian dollars. The Company is exposed to foreign currency fluctuations on $922,105 of its cash and cash equivalents held in United States dollars and European euros.

SUBSEQUENT EVENTS

On March 26, 2014, the Company closed a bought deal equity financing underwritten by Cormark Securities Inc., which placed 4,192,000 common shares of Neovasc at a price of $6.00 per common share, for gross cash proceeds to the Company of $25,152,000.

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Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	December 31, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,403,472**	$ 5,861,120
Accounts receivable	**1,289,933**	1,248,271
Inventory	**484,811**	191,942
Prepaid expenses and other assets	**28,266**	29,891
Total current assets	**5,206,482**	7,331,224
Non-current assets		
Property, plant and equipment	**2,236,900**	1,467,372
Total non-current assets	**2,236,900**	1,467,372
Total assets	**$ 7,443,382**	$ 8,798,596
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,577,158**	$ 1,067,283
Current portion of long-term debt	**43,548**	42,540
Total current liabilities	**1,620,706**	1,109,823
Non-current liabilities		
Long-term debt	**200,084**	241,083
Total non-current liabilities	**200,084**	241,083
Total liabilities	**1,820,790**	1,350,906
Equity		
Share capital	**73,411,391**	70,421,185
Contributed surplus	**10,305,204**	8,370,258
Deficit	**(78,094,003)**	(71,343,753)
Total equity	**5,622,592**	7,447,690
Total liabilities and equity	**$ 7,443,382**	$ 8,798,596

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Consolidated Statements of Comprehensive Loss

For the year ended December 31,
(Expressed in Canadian dollars)

	2013	2012
REVENUE		
Product sales	**$ 2,694,977**	$ 3,264,851
Contract manufacturing	**1,776,893**	2,005,058
Consulting services	**7,275,766**	2,549,245
	11,747,636	7,819,154
COST OF GOODS SOLD	**7,083,877**	4,640,302
GROSS PROFIT	**4,663,759**	3,178,852
EXPENSES		
Selling expenses	**78,475**	169,073
General and administrative expenses	**4,846,935**	3,957,950
Product development and clinical trials expenses	**6,847,318**	3,980,056
	11,772,728	8,107,079
OPERATING LOSS	**(7,108,969)**	(4,928,227)
OTHER INCOME/(EXPENSE)		
Interest income	**11,450**	28,646
Interest expense	**(9,150)**	(10,553)
Gain on sale of license	**-**	4,598,160
Gain/(loss) on foreign exchange	**356,419**	(39,394)
	358,719	4,576,859
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (6,750,250)**	$ (351,368)
LOSS PER SHARE		
Basic and diluted loss per share	**$ (0.14)**	$ (0.01)

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Consolidated Statements of Cash Flows

For the year ended December 31,
(Expressed in Canadian dollars)

	2013	2012
OPERATING ACTIVITIES		
Loss for the year	**$ (6,750,250)**	$ (351,368)
Adjustments for:		
Depreciation	**271,660**	135,865
Share-based payments	**1,963,380**	2,365,833
Gain on sale of license	**-**	(4,598,160)
Interest income	**(11,450)**	(28,646)
Interest expense	**9,150**	10,553
	(4,517,510)	(2,465,923)
Net change in non-cash working capital items:		
Accounts receivable	**(386,524)**	(167,729)
Inventory	**(292,869)**	108,831
Prepaid expenses and other assets	**1,625**	(6,519)
Accounts payable and accrued liabilities	**509,875**	475,807
	(167,893)	410,390
Interest paid and received:		
Interest received	**11,450**	28,646
Interest paid	**(9,150)**	(10,553)
	2,300	18,093
	(4,683,103)	(2,037,440)
INVESTING ACTIVITES		
Decrease in investments in guaranteed investment certificates	**-**	1,504,290
Proceeds from sale of license	**344,862**	4,253,298
Purchase of property, plant and equipment	**(1,041,188)**	(312,586)
	(696,326)	5,445,002
FINANCING ACTIVITIES		
Decrease in restricted cash & cash equivalents	**-**	40,840
Repayment of long-term debt	**(39,991)**	(38,587)
Proceeds from exercise of warrants	**2,919,062**	31,250
Proceeds from exercise of options	**42,710**	15,545
	2,921,781	49,048
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(2,457,648)**	3,456,610
CASH AND CASH EQUIVALENTS		
Beginning of the period	**5,861,120**	2,404,510
End of the period	**$ 3,403,472**	$ 5,861,120
Represented by:		
Cash	**$ 3,403,472**	$ 5,861,120
	$ 3,403,472	$ 5,861,120

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About Neovasc Inc.
Neovasc is a specialty medical device company that develops, manufactures and markets products for the rapidly growing cardiovascular marketplace. Its products include the Tiara™ technology in development for the transcatheter treatment of mitral valve disease, the Neovasvc Reducer™ for the treatment of refractory angina and a line of advanced biological tissue products that are used as key components in third-party medical products including 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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