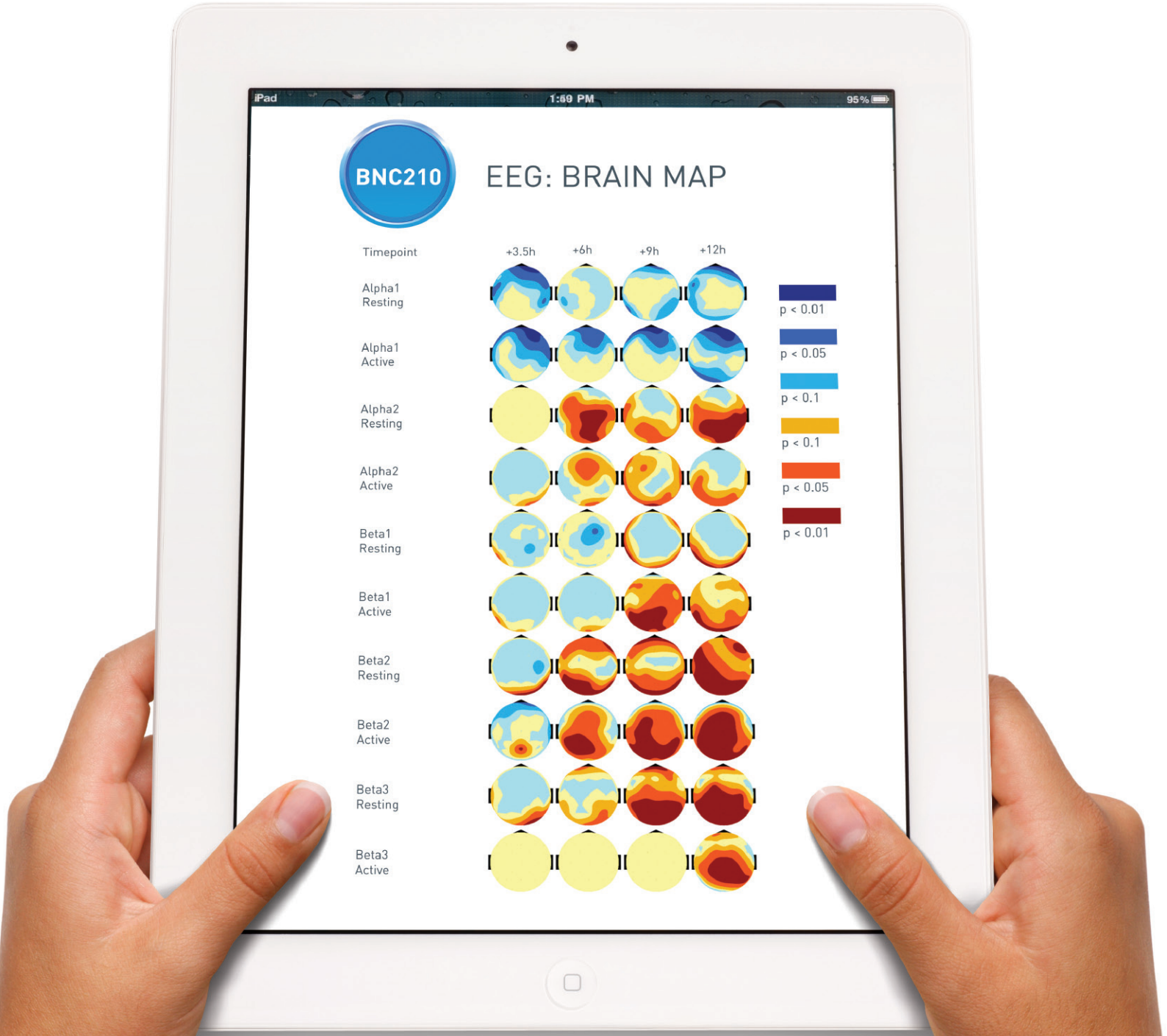
Bionomics



A LEADING INTERNATIONAL DRUG DISCOVERY AND DEVELOPMENT COMPANY

2011 **BIONOMICS** ANNUAL REPORT

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FRONT COVER: Brain activity following BNC210 administration to healthy humans measured by EEG. Mapping of measured brain activity indicated BNC210 anxiolytic activity in the absence of sedation.

HIGHLIGHTS.

BIONOMICS ANTI-ANXIETY DRUG BNC210 PHASE Ib CLINICAL TRIALS REPORT SUCCESSFUL RESULTS

- BNC210 significantly reduced panic symptoms and faster than placebo
- Brain activity in trial subjects measured by EEG indicates anxiolytic activity by BNC210 and no sedation
- BNC210 clearly outperformed comparator Lorazepam in tests measuring attention, memory, co-ordination, sedation and addiction
- BNC210 administered to 108 healthy subjects with excellent safety profile

BNC105 CANCER CLINICAL TRIALS REACH KEY MILESTONES

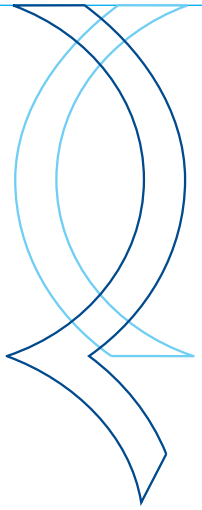
- Data from renal cancer trial supports progression of the trial with the combination of Afinitor and BNC105 being safe and well tolerated
- Mesothelioma interim analysis provided encouraging data
- Clinical trial program extended with ovarian cancer trial now planned

MULTIPLE SCLEROSIS COLLABORATION WITH MERCK SERONO EXTENDED

PATENT APPLICATIONS FILED ON COMPOUNDS TO TREAT MEMORY LOSS

REGISTER REPOSITIONING SUCCESSFULLY COMPLETED IN CONJUNCTION WITH $14.25 MILLION PLACEMENT TO INSTITUTIONAL INVESTORS

SALE AND LEASE-BACK OF THEBARTON PREMISES TO FURTHER BOOST CASH RESERVES



CHAIRMAN'S LETTER.

Dear Fellow Shareholder,

The substantial increase in your Company's market capitalization and the significant drug development milestones achieved over the past 12 months provides strong evidence of the sound progress made in achieving our corporate objective of becoming a highly successful and widely admired global drug discovery and development company. We are looking to achieve further, major progress in the coming year.

The achievements of 2011 have placed your Company in an enviable position for growth and near term partnering success. The key pillars supporting this solid platform are:

- Drug development of our two key compounds is proceeding in line with plans, and active discussions have commenced with prospective partners for our anxiety / depression drug (BNC210).
- Additional drug discovery programs have been initiated to ensure a full pipeline and our collaboration with Merck Serono is proceeding satisfactorily.
- Your Company's funding has never been stronger. With substantial contributions from the placement of 25 million new shares and the sale and leaseback of the building, your Company has current cash reserves of approximating $19.5 million, equivalent to approximately 30 month's cash burn based on budgeted expenditure.
- A stronger, more balanced and diverse shareholder profile. The successful placement of the bulk of our previous major shareholder's stake has expanded and reinvigorated the Company's share register. Further, a number of European based institutions were introduced, boosting international diversification.
- Stronger support, including published research, from key stockbrokers. Your Company's long time broker supporters, Linwar Securities and Baker Young, have been joined by Bell Potter which, together with Linwar, has commenced covering your Company through dedicated Bionomics research notes.

Our management team, under the outstanding leadership of Deborah Rathjen, had a very successful year, outperforming on two out of the five agreed corporate performance goals, namely the production of test data for BNC210 and the investor profile / funding targets.

One third of the Group's staff works at our Strasbourg based contract services subsidiary, Neurofit. Revenue (including intercompany sales) was higher than the previous year and Neurofit continues to carry out important tasks within our drug discovery and development program, in a timely and efficient manner.

2012 will be a watershed year for your Company as we aim to complete our first major partnering deal. This will raise further the profile of Bionomics and should attract further investment from institutions across the globe.

More specifically, our key objectives for the next year are:

- To partner our anxiety / depression drug BNC210.
- To increase the intensity and breadth of our trials on our cancer drug BNC105, with a view to building the most impressive database possible to be used for future partnering discussions.
- To expand and continue to develop our drug pipeline.

On your behalf, I wish to thank our exceptionally talented, dedicated management team for their continuing efforts in moving Bionomics forward. Conversely, your Board and management wish to thank you, our shareholders, for your continuing belief in Bionomics and for your encouragement and support.

Christopher Fullerton
Chairman

CEO & MANAGING DIRECTOR'S REPORT

Dear Shareholders,

It is with great pleasure that I present this report on your Company's performance for the 2010-2011 financial year. This past year for Bionomics could be called "the year of BNC210" as it has marked a defining step in the development of Bionomics' treatment for anxiety and depression.

This tribute recognises the completion with flying colours of rigorous Phase I studies for BNC210 that open the way for Phase II development and partnering. Other significant progress has included:

- Our promising anti-cancer agent, BNC105, forging ahead in its Phase II clinical trials and the decision made to extend its clinical program next year to ovarian cancer, the fifth leading cause of cancer-related death among women,
- Further extension of our collaboration with global pharmaceutical company, Merck Serono, to 13 June 2012,
- Progress in the discovery of new drug candidates for important diseases such as Alzheimer's disease and cancer, and
- Re-positioning Bionomics' share register and strengthening the Company's balance sheet.

THE YEAR OF BNC210

BNC210 is a "next generation" compound under development for treatment of anxiety and depression. Anxiety drugs such as Valium and Prozac have been amongst the biggest blockbusters with a market estimated at US$15 billion per annum worldwide. However, most anxiety drugs have major side-effects. The story is similar for drugs to treat depression.

In July 2010 the prestigious journal Science published an article "Is Pharma Running out of Brainy Ideas?" In this article Thomas Insel, Director of the US National Institute of Mental Health said in relation to psychiatric drug development "There are very few new molecular entities, very few novel ideas and almost nothing that gives any hope for a transformation in the treatment of mental illness."

Pharmaceutical companies are also facing a significant patent cliff with blockbuster drugs to treat anxiety and depression either about to come off patent or already subject to generic competition. For example, Effexor (2010), Seroquel (2011) and Lexapro (2012).

As a new molecular entity, and driven by novel ideas, BNC210 is at the forefront of innovative drug development for anxiety and depression. BNC210 also has a very strong patent position and, with the first patent application filed in 2006, a long period of patent protection ahead of it.

CEO & MANAGING DIRECTOR'S REPORT

"BIONOMICS HAS CREATED IN THE FORM OF BNC210 ONE OF AUSTRALIA'S MOST PROMISING THERAPEUTIC PRODUCTS".

BIOSHARES

"BNC210 REMAINS ONE OF JUST A HANDFUL OF COMPOUNDS IN DEVELOPMENT FOR THE TREATMENT OF ANXIETY."

EDISON RESEARCH

Bionomics is developing BNC210 to address the need for an effective, safe, fast acting, non-sedating, non-addictive drug and so far it is coming up trumps. The cover of this year's Annual Report features recent EEG data that demonstrate changes in human brain activity after BNC210 administration that are indicative of efficacy. Importantly, we now have the first clinical evidence of the lack of side effects on attention and memory by BNC210 that had previously only been indicated by studies in animal models. Trials have also indicated that BNC210 is safe and well tolerated and drug levels achieved from a single administration support its potential for once a day dosing.

The latest European Phase Ib clinical trials, successfully completed in March 2011, confirmed earlier data and provided evidence that BNC210 significantly reduces panic symptoms, acting quickly and with improved recovery in treated subjects. Moreover, BNC210 has none of the key side effects of Lorazepam, a representative of a major drug class (Valium-like) currently used to treat anxiety. BNC210 clearly outperformed Lorazepam in a battery of tests measuring attention, memory, co-ordination, sedation and addiction. These important trial outcomes exceeded expectations and are very encouraging for the future development of BNC210 and for successful licensing.

In parallel with the exciting BNC210 program, work progresses steadily for our anti-cancer agent BNC105.

THE PREVALENCE OF ANXIETY IN THE US POPULATION IS 18.3%. IN 1990 ANXIETY DISORDERS COST THE US MORE THAN $42 BILLION A YEAR, ALMOST ONE THIRD OF THE $148 BILLION TOTAL MENTAL HEALTH BILL FOR THE US.

CEO & MANAGING DIRECTOR'S REPORT

PHASE II CLINICAL PROGRAM FOR BNC105 IS WELL ADVANCED

The mechanism of action of BNC105 provides an innovative approach to the treatment of solid tumours by selectively attacking established tumour blood supply. In addition to being an effective Vascular Disrupting Agent (VDA), it also has direct cytotoxic action on cancer cells. BNC105, because of its dual mechanism of action, is likely to be applicable to a wide variety of tumour types. This view was supported by the successful Phase I clinical trial in patients with a range of advanced cancers. The market opportunity for BNC105, if successfully developed, is enormous and our strategy is to progress BNC105 further down the clinical path to optimise its value.

The decision was made to focus, in the first instance, on the types of cancer that have been the market entry point for several successful drugs. Multicentre Phase II clinical trials in renal cell cancer and mesothelioma initiated in the first quarter of 2010 have been progressed. The BNC105 clinical program will be extended to a third solid tumour type, ovarian cancer, next year.

Our challenge has been to learn as much about BNC105 in cancer patients in the most efficient way. The key objectives are to consolidate the safety profile for the drug and obtain early evidence that the drug is effective. To do this Bionomics adopted a two pronged approach involving the use of BNC105 either in combination with other established methods of cancer treatment or, as a monotherapy. The current renal trial and planned ovarian cancer trial adopt the first approach, combining BNC105 with Afinitor treatment in the case of renal cancer and with carboplatin and gemcitabine for ovarian cancer. The second approach, BNC105 alone, was adopted in the mesothelioma trial in patients whose disease had progressed after first line chemotherapy with Alimta and cisplatin.

RENAL CELL CARCINOMA ACCOUNTS FOR APPROXIMATELY 85% OF KIDNEY CANCERS, WITH KIDNEY CANCER ACCOUNTING FOR 2-3% OF HUMAN MALIGNANCIES. THE INCIDENCE OF RENAL CELL CANCER HAS BEEN RISING STEADILY. EVERY YEAR APPROXIMATELY 200,000 CASES ARE DIAGNOSED WORLDWIDE, WITH 55,000 PEOPLE DIAGNOSED IN THE US. THE FIVE YEAR SURVIVAL RATE FOR PATIENTS WITH METASTATIC DISEASE IS LESS THAN 2%.

OVARIAN CANCER IS THE FIFTH LEADING CAUSE OF CANCER-RELATED DEATH AMONG WOMEN, OFTEN DIAGNOSED AT AN ADVANCED STAGE, AFTER THE CANCER HAS SPREAD BEYOND THE OVARY. THE NUMBER OF OVARIAN CANCER CASES IN AUSTRALIA INCREASED BY 47% BETWEEN 1982 AND 2006 WITH 1,226 NEW DIAGNOSES IN 2006 ALONE. IT IS ESTIMATED THAT APPROXIMATELY $2.2 BILLION IS SPENT IN THE US EACH YEAR ON TREATMENT OF OVARIAN CANCER.

CEO & MANAGING DIRECTOR'S REPORT

From the ongoing renal cancer trial we now know that the combination of BNC105 is safe and well tolerated with individual patients receiving at least 12 cycles of treatment to date. In the mesothelioma clinical trial individual patients received at least nine cycles of treatment with one patient of 24 showing a durable response to BNC105 and 57% reduction in tumour measurements, at least five patients showing stable disease, with three patients still to be evaluated. Against this background Bionomics has decided that the future development path for BNC105 will be in combination with established chemotherapy regimens, with the mesothelioma trial being discontinued.

In adopting a combination approach Bionomics is following in the footsteps of successful drugs such as Avastin (US$6 billion in worldwide sales in 2010). An advantage is that BNC105 will rapidly gain access to a broader commercial opportunity, whilst retaining a focus on potential fast track to market.

"WHILE BIONOMICS HAS CLEARLY CREATED AN OUTSTANDING DRUG CANDIDATE IN BNC210, WE ARGUE THAT BNC105 IS POTENTIALLY MORE VALUABLE BECAUSE OF THE SIZE OF THE MARKET FOR NEW CANCER DRUGS, THE BROAD APPLICABILITY OF THE DRUG IN A WIDE VARIETY OF SOLID TUMOURS, AND THE UNIQUE QUALITIES OF BNC105 COMPARED TO OTHER DRUGS THAT WORK BY ATTACKING A TUMOUR'S BLOOD SUPPLY."

BELL POTTER

"MERCK SERONO IS A STRONG PARTNER TO HAVE."

BELL POTTER

MERCK SERONO COLLABORATION IS RENEWED

The Kv1.3 program comprises preclinical stage compounds in Bionomics' pipeline, are targeting inflammatory disorders including Multiple Sclerosis, Rheumatoid Arthritis and Psoriasis. Bionomics partnered its Kv1.3 program in June 2008 with Merck Serono, a leading pharmaceutical company and pioneer of new treatments for Multiple Sclerosis including Rebif® which recorded sales of approximately US$2.3 billion in 2010.

MULTIPLE SCLEROSIS IS AN AUTOIMMUNE DISEASE AFFECTING NERVE FUNCTION THAT LEADS TO NUMBNESS, DIFFICULTY IN COORDINATION, MEMORY LOSS AND ULTIMATELY PARALYSIS. ANNUAL REVENUE OF MULTIPLE SCLEROSIS DRUGS WORLD-WIDE WAS APPROXIMATELY US$12 BILLION IN 2010 WITH SIGNIFICANT MARKET GROWTH PROJECTED TO 2025.

With Merck Serono funding all clinical development and commercialisation, the collaboration agreement has recently been extended to 13 June 2012. The objective is to select one or more compounds for development as a patient friendly Multiple Sclerosis drug which is highly effective with fewer side effects and orally active (not injected). Bionomics can earn up to US$47m in milestones per compound based on successful development and commercialisation plus undisclosed royalties.

The next steps will be for selected compounds to move into pharmacokinetic and toxicology studies and then clinical trials triggering milestone payments at pre-agreed progress points.

CEO & MANAGING DIRECTOR'S REPORT

DRUG DISCOVERY PIPELINE

Bionomics has a number of discovery programs underway. Our drug discovery platforms generate new drug candidates which we selectively develop to a stage for commercial partnering. Taking a classic portfolio approach, some programs are more advanced than others so that we have multiple programs underway at any one time, spreading our risk and the demands on our finances.

Now that the BNC105, BNC210 and Kv1.3 programs, which are focussed on treatments for solid cancers, CNS conditions and immune diseases respectively, are well underway, Bionomics is in a position to add further depth to its pipeline. Funds from the recent capital raising are being dedicated to actively progress some of our other promising early stage programs.

The first of these programs is the investigation of novel kinase inhibitory activity for the treatment of melanoma and breast cancer which is currently in discovery phase. This work is being done in partnership with the Cooperative Research Centre for Cancer Therapeutics (CRC-CTx) of which Bionomics is a core member.

"BIONOMICS' PROPRIETARY MULTICORE®, ANGENE® AND IONX® DRUG TARGET AND DISCOVERY PLATFORMS HAVE PROVIDED THE COMPANY WITH AN ENGINE FOR FUTURE GROWTH"

BELL POTTER

Another area we are excited about is the development of a positive allosteric modulator of the alpha-7 nicotinic acetylcholinesterase receptor. Called Alpha 7 in short, the receptor plays a key role in cognition (memory) in Alzheimer's disease and schizophrenia.

In February 2011 Bionomics announced the filing of patent applications covering compounds of interest and signalling good progress towards our goal of a new drug candidate.

ALZHEIMER'S DISEASE ATTACKS THE BRAIN RESULTING IN IMPAIRED MEMORY, THINKING AND BEHAVIOUR. THE INCIDENCE RATE RISES WITH AGE. FOR PEOPLE 85 YEARS AND OVER, 1 IN 4 HAVE DEMENTIA. THE MARKET FOR DRUGS TO TREAT THE DISEASE IS ESTIMATED AT US$5BN BY 2012.

SCHIZOPHRENIA IS ALSO AN ILLNESS THAT AFFECTS THE NORMAL FUNCTIONING OF THE BRAIN. ABOUT ONE IN A HUNDRED PEOPLE WILL DEVELOP SCHIZOPHRENIA AT SOME TIME IN THEIR LIVES. MOST OF THESE WILL BE FIRST AFFECTED IN THEIR LATE TEENS AND EARLY TWENTIES. THE SCHIZOPHRENIA MARKET IS ESTIMATED AT US$4.3BN IN 2011.

"THIS IS AN ATTRACTIVE TARGET THAT HAS CLINICAL VALIDATION IN THE TREATMENT OF COGNITION IN PATIENTS WITH SCHIZOPHRENIA AND ALZHEIMER'S DISEASE"

EDISON RESEARCH

CEO & MANAGING DIRECTOR'S REPORT

NEUROFIT

The operations of our European subsidiary continue to meet expectations. Total revenue in the period was $4.20 million compared to $2.75 million in the previous period with $2.62 million in work performed for Bionomics in FY2011 compared to $887,501 in FY2010. Work performed for Bionomics included research on BNC210 and our Alpha 7 program.

During the year Neurofit secured new contracts with major pharmaceutical companies including through Master Service Agreements. One pharmaceutical company has recently extended its Master Service Agreement with Neurofit to 2016.

Neurofit also continued to expand its services, and is now offering a range of new oncology models, in response to its customer's needs.

CORPORATE

In May 2011, major Bionomics shareholder, Start-up Australia Ventures, reduced its holding from 27.7% to 8.2% in an orderly sell down. Bionomics further catered to strong interest from a number of highly credible new and existing domestic and international institutions with an institutional placement of 25 million new fully paid ordinary shares to raise $14.25 million. These activities have allowed the Company to reposition its register with a range of long term, supportive shareholders, improve liquidity in the Company's shares and provide a strong financial footing for the future.

Bionomics balance sheet was further strengthened by the sale and long term leaseback of the head office and research facility in Thebarton, South Australia which generated net proceeds of $4.1 million in July 2011.

The resulting cash position of the Company means that the Company is very well positioned to progress partnership discussions as well as accelerate internal discovery and development initiatives.

CEO & MANAGING DIRECTOR'S REPORT

OUTLOOK

The next 12 months will see a number of important near term valuation catalysts for Bionomics shareholders. Bionomics is continuing to research the science of BNC210 and key discoveries and clinical data will be presented at major international conferences throughout the year by our scientific team. Based on solid science and excellent clinical data, our licensing strategy is being implemented and is supported by Phase II clinical trial planning.

With the development path of BNC105 now delineated, Bionomics has retained a fast track approach in its development of BNC105. The metastatic renal cancer clinical trial has moved to the randomised phase. This will recruit 134 patients and is due for completion in 2012. The new ovarian trial is expected to be initiated 1H, CY 2012. These milestones are directed at expanding the BNC105 data set and position for licensing.

The extension of our research agreement has been a vote of confidence from Merck Serono and a tangible sign that the program is making progress towards compound selections and anticipated milestone payments.

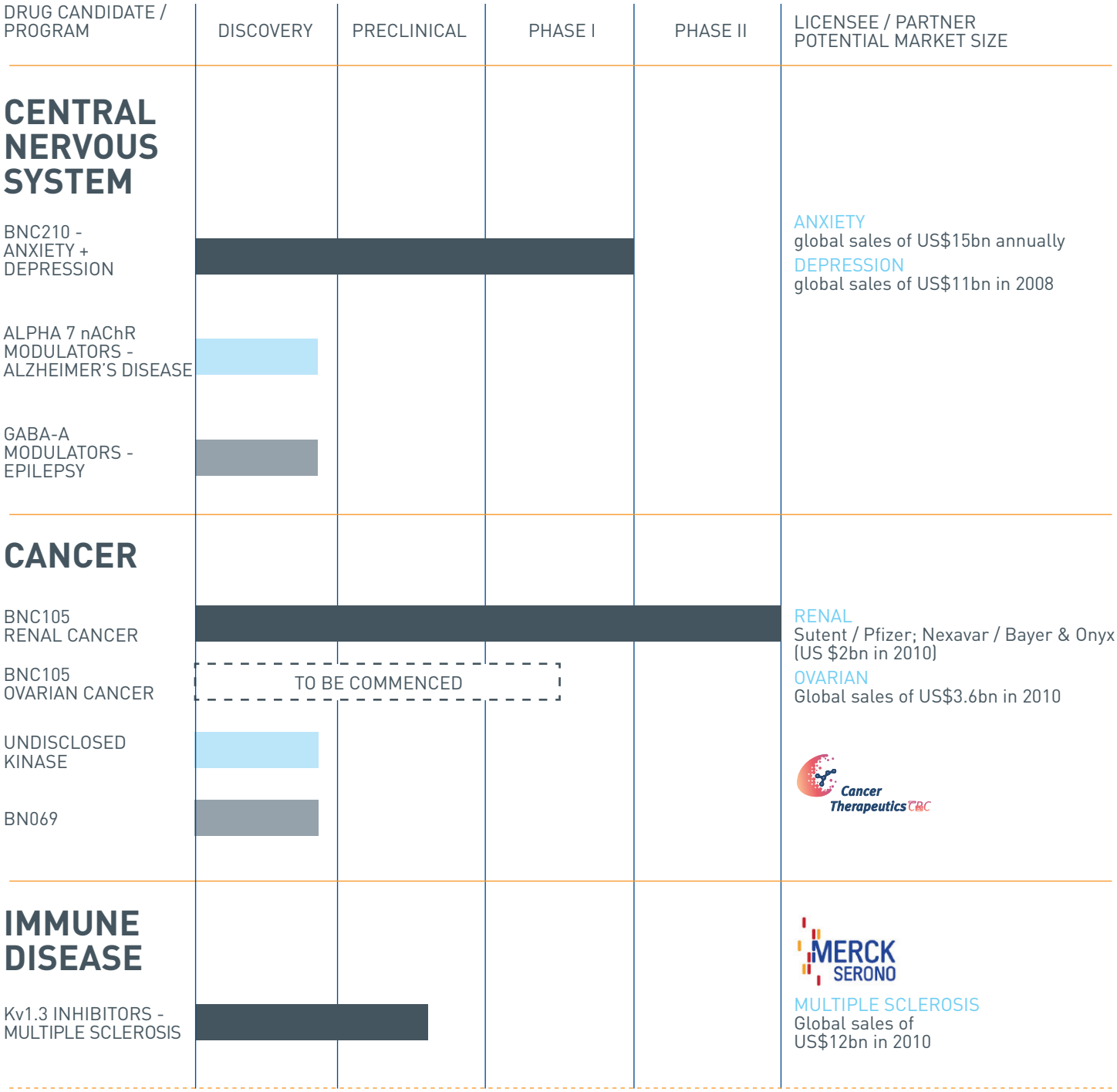
These developments in our leading three programs, and our strengthened balance sheet, allow for the entry of further drug candidates into our pipeline. Bionomics' cancer kinase and Alpha 7 programs are anticipated to make solid progress towards the identification of new drug candidates with one compound from our Alpha 7 program ear-marked to enter IND enabling studies by the end of Q3 CY 2012 as a prelude to initiation of clinical trials.

Bionomics' impressive portfolio of drug candidates from early to advanced stages of development, productive platform technologies, strategic partnering program and solid financial position are the basis for our reputation as a fully integrated, international drug discovery and development company. None of this would have been possible without the extraordinary dedication and talents of our staff, including our staff at Neurofit who have made a remarkable contribution to our BNC210 program, our scientific and clinical advisors, including members of Bionomics' Scientific Advisory Board, the participants in our clinical trials and their families, and the support of our shareholders who share our vision of making a difference to sufferers of cancer, anxiety, depression and immune disorders for which I warmly thank you.

Deborah Rathjen
CEO and Managing Director

PIPELINE

Bionomics has a portfolio of drug candidates in various stages of development, of which BNC105, BNC210 and Kv1.3 are the most advanced with potentially significant end-user markets with unmet needs.



BNC210

CLINICAL STAGE PROGRAMS

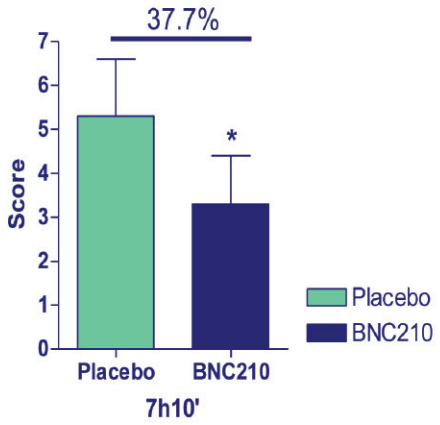
BNC210 is a "first in class" compound whose novel mechanism to treat anxiety and depression lacks the side-effects of currently used treatments. Phase Ib trials of the drug were conducted in France by Forenap Pharma and completed in March 2011 with outstanding results.

The first trial evaluated the effect of BNC210 on panic symptoms induced by pharmacological means (administration of the peptide CCK-4) in healthy volunteers. 59 subjects were enrolled in the trial and CCK-induced panic was measured in 15 subjects. BNC210 treatment significantly reduced the number and intensity of symptoms. In addition, subjects recovered more quickly from a CCK-induced panic attack returning to a normal emotional state after ten minutes when receiving BNC210 compared with around an hour for those on placebo.

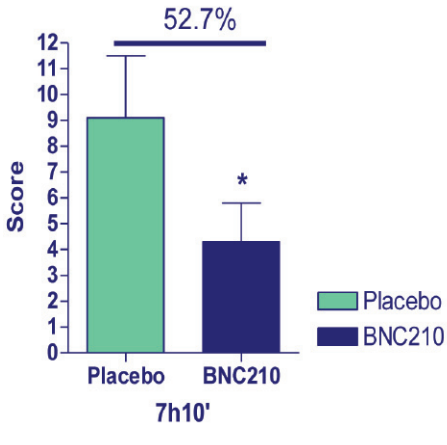
"THE DATA ARE VERY ENCOURAGING AND POINT TO BNC210 REDUCING ANXIETY IN A MANNER THAT IS POTENTIALLY BETTER FOR PATIENTS THAN CURRENT TREATMENTS."

PROFESSOR PAUL FITZGERALD OF THE MONASH ALFRED PSYCHIATRY RESEARCH CENTRE

% REDUCTION IN TOTAL PANIC SYMPTOMS



% REDUCTION IN PANIC SYMPTOM INTENSITY



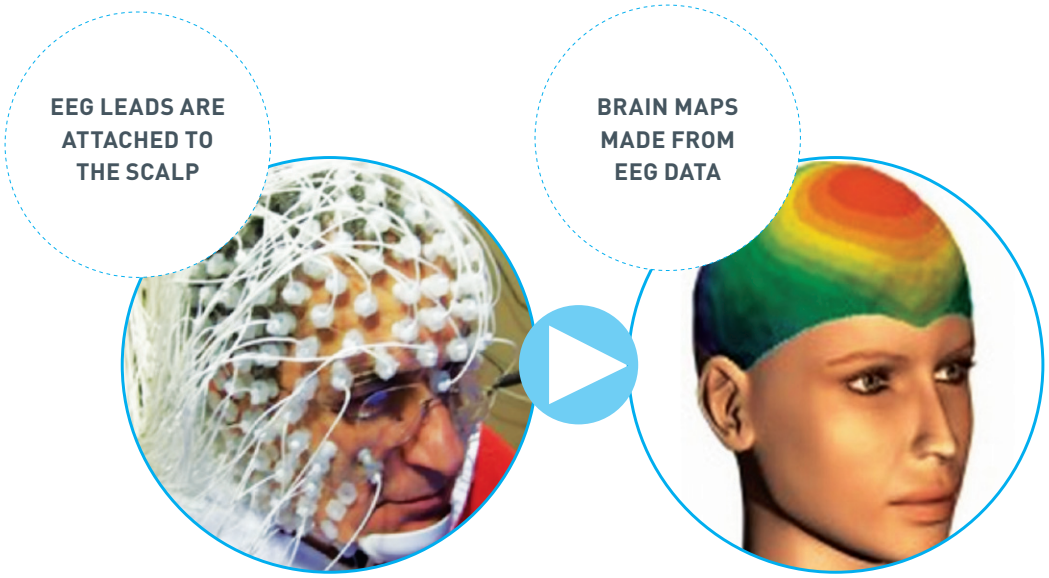
BNC210

CLINICAL STAGE PROGRAMS

The second trial compared BNC210 with Lorazepam, a Valium-like anti-anxiety drug. BNC210 outperformed its competitor on measures of attention, memory, co-ordination, addiction and sedation.

	BNC210 300 & 2000 mg	**LORAZEPAM** 2 mg
PRIMARY OBJECTIVE		
Attention Multiple Choice Reaction Time	**No Effect**	Reduced at T+6h, 9h and 12h
SECONDARY OBJECTIVES		
Visuo-motor Co-ordination Peak Saccadic Eye Movement	**No Effect**	Reduced at T+6h, 9h and 12h
Sleepiness Karolinska Sleepiness Scale	**No Sedation**	Sedation at T+6h and 9h
Memory Perceptual Priming Test	**No Effect on Memory**	Slight Memory Impairment
Addiction ARCI49	**No Association with Drug Groups**	Association with LSD and Phenobarbital/Alcohol Groups

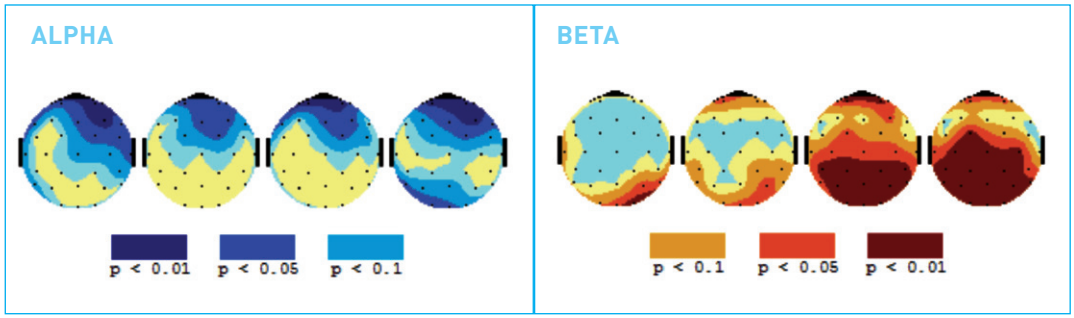
This trial also compared the effects of BNC210 and Lorazepam on the brain using electroencephalography (EEG). 24 subjects were enrolled in the trial with 21 subjects evaluated. An important finding was that EEG data showed for the first time BNC210-related changes in human brain activity indicative of efficacy and that this activity occurs in the absence of sedation.

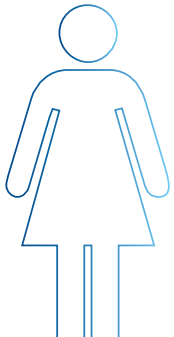


"THE EEG DATA INDICATES THAT BNC210 GETS INTO THE BRAIN AND EXERTS A MORE SUBTLE AND SPECIFIC EFFECT THAN LORAZEPAM."

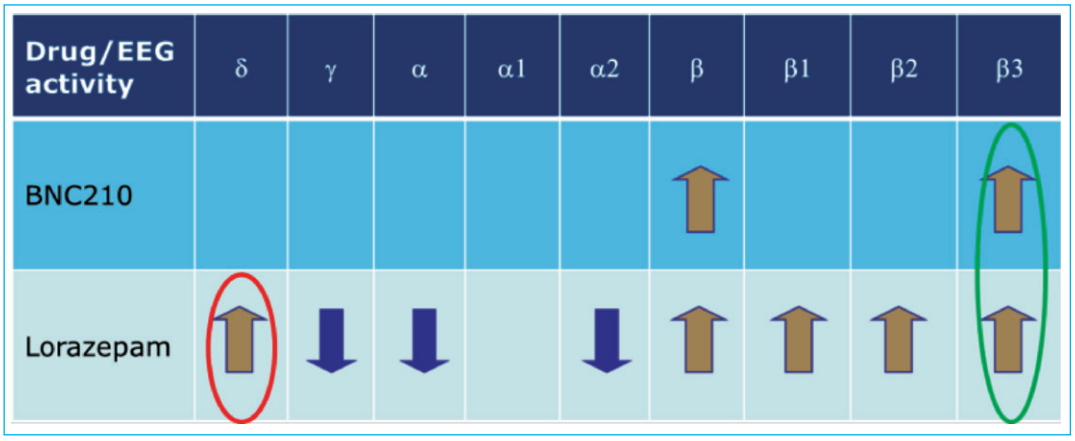
PROFESSOR PAUL FITZGERALD OF THE MONASH ALFRED PSYCHIATRY RESEARCH CENTRE

BRAIN MAPS SHOWING BNC210 EFFECT ON ALPHA AND BETA FREQUENCY BANDS





EEG data showed BNC210 related changes in β3 brain activity similar to that of Lorazepam indicative of anxiolytic efficacy as shown by the green circle. Unlike Lorazepam, BNC210 did not increase activity in the δ region (indicated by the red circle) suggesting that BNC210 activity occurs in the absence of sedation.



In November 2010, new scientific data on BNC210 was presented at a major US conference, Neuroscience 2010. The data demonstrated the effectiveness of BNC210 in preclinical models of drug-induced anxiety and highlighted its potential to become the therapy of choice. BNC210 modulates molecular pathways that are targeted by several marketed drugs, including selective serotonin reuptake inhibitors (SSRIs) such as Prozac, Lexapro, Effexor and Zoloft which are used to treat chronic forms of anxiety and depression.

However, important points of difference indicated by the animal studies include BNC210's rapid onset of action; it does not require prolonged treatment for its activity to develop; chronic use does not lead to symptoms of physical dependence and it is unlikely to produce withdrawal symptoms. Lastly, BNC210 does not inhibit important drug metabolizing enzymes in the liver, indicating that it is potentially safe to take with other medications.

PROJECTED MILESTONES FOR THE BNC210 PROGRAM

MILESTONE	TIMING
Present BNC210 data at ECNP	4Q, CY 2011
Present Phase Ib clinical trial data at Neuroscience	4Q, CY 2011
International patent approvals	1Q, CY 2012

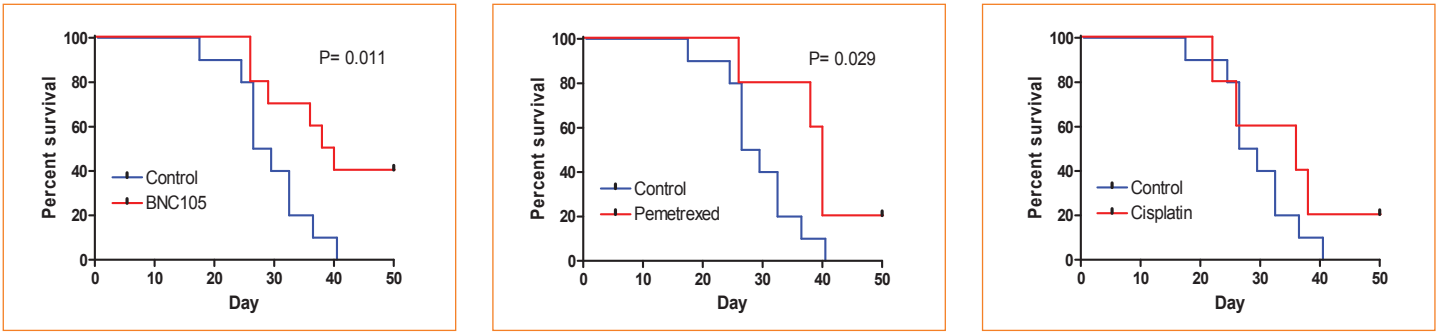
BNC105

CLINICAL STAGE PROGRAMS

BNC105 is a potent anti-tumour agent with a wide window of safety and its multiple points of attack mean less liability for drug resistance to develop. Its highly selective and rapid tumour vascular disruption traps and concentrates BNC105 within tumours for greater duration of action. Preclinical studies showed that BNC105 enhances the effectiveness of radiation treatment, cytotoxic chemotherapy such as cisplatin and biological agents such as Avastin suggesting its potential for incorporation into a variety of solid tumour treatment regimens. Data from Phase II trials currently underway have confirmed this view.

MESOTHELIOMA TRIAL

BNC105 is being evaluated in patients with mesothelioma, a cancer caused by asbestos exposure. The mesothelioma trial, conducted in Australia, is a single arm Phase II trial in patients whose disease progressed after first line chemotherapy with Alimta and cisplatin. BNC105, at a dose of 16mg/m² was well tolerated, a result consistent with clinical experience in the first clinical trial of BNC105. Analysis of the first 24 patients has revealed one patient demonstrating a 57% reduction in tumour measurement. At least five other patients show stable disease. There will be no further enrolment into the current trial though there is ongoing evaluation of patients continuing on treatment with BNC105. Based on the findings of this trial and on preclinical evidence of encouraging combination data with cisplatin, Bionomics is now considering development of BNC105 for the treatment of mesothelioma as first line therapy in combination with Alimta and cisplatin.



Legend: BNC105 is more effective than pemetrexed (Alimta) and cisplatin in prolonging survival in an animal xenograft model of mesothelioma – PRESENTED AT AACR, April 2011.

RENAL CELL CANCER TRIAL

A US based multi-centre clinical trial is underway of BNC105 in combination with Afinitor in patients with metastatic renal cell cancer. Treatment options remain limited in progressive metastatic renal cell cancer for patients who no longer respond to Tyrosine Kinase Inhibitors (TKI) such as Sutent, a first line therapy for the disease. The BNC105 trial is being conducted in patients who have failed TKI therapy and are also being treated with Afinitor, an mTOR inhibitor. It is hoped that that the combination of BNC105 with an agent active against mTOR would cut off a tumour "survival" response and improve clinical outcome.

The clinical trial design has two stages, the first of which involves dose escalation of BNC105 to assess the safety of combining BNC105 and Afinitor. Interim data has shown that BNC105 is well tolerated at a dose level of 12.6 mg/m² after at least 12 cycles of treatment in combination with Afinitor. It is known from other studies that this is a key dose level that results in reduced tubulin polymerization, the therapeutic target of BNC105. Based on the tolerance of the 16mg/m² dose achieved in the mesothelioma trial, the renal trial will be continued to the 16mg/m² dose level.

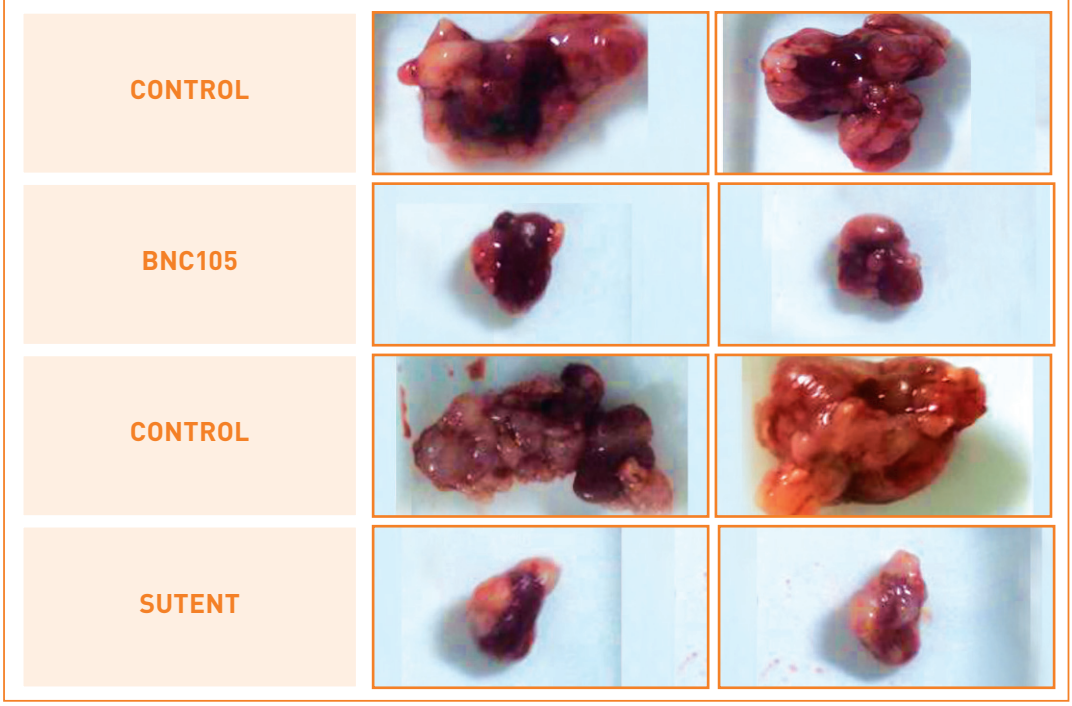
The second stage of the trial is an efficacy evaluation where the therapeutic benefit of the combination is compared to the therapeutic benefit of Afinitor monotherapy. A total of 134 patients will be enrolled in this portion of the trial which is due for completion in 2012.

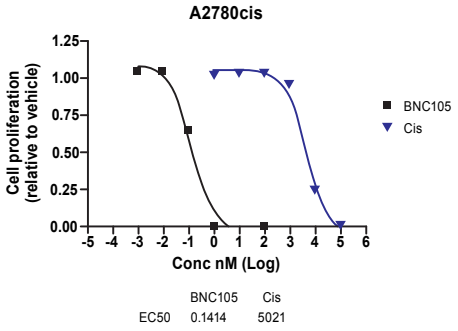
On 1 April 2011 Bionomics announced the presentation of preclinical data supporting the current renal cancer trial at the American Association for Cancer Research (AACR). The data demonstrated the potent vascular disrupting effects of BNC105 in two mouse models of renal cancer, including a model in which the cancer spreads to the lungs. BNC105 induced tumour blood vessel shutdown in both the primary tumour and the secondary lung cancer. BNC105 activity was shown to be comparable with the blockbuster drug Sutent which had worldwide sales of US$1.066 billion in 2010.

Legend: BNC105 inhibits tumour growth in the RENCA orthotopic renal cancer model comparable to Sutent.

"IT IS PARTICULARLY EXCITING TO BE CONDUCTING A TRIAL WHICH HAS THE POTENTIAL OF CREATING A NEW PARADIGM FOR THE TREATMENT OF RENAL CANCER."

DR THOMAS E HUTSON OF THE TEXAS ONCOLOGY-BAYLOR CHARLES A. SAMMONS CANCER CENTER AND PRINCIPAL INVESTIGATOR OF BIONOMICS' PHASE II RENAL CANCER TRIAL





Legend: BNC105 is 50,000 times more active than cisplatin in inhibiting the proliferation of cisplatin resistant ovarian cancer cells.

OVARIAN CANCER TRIAL

Bionomics will evaluate BNC105 in combination with carboplatin and gemcitabine for the treatment of ovarian cancer in a multi-centre randomised Phase I / II trial in Australia and the US which will commence next year. The decision to proceed is based on strong preclinical data which suggests that BNC105 is highly effective against cisplatin resistant ovarian tumours. Moreover, BNC105 both in combination with gemcitabine and in combination with cisplatin resulted in increased therapeutic benefit measured as tumour regression and survival in an animal model.
The combination of gemcitabine with a platinum treatment (cisplatin or carboplatin) is standard of care chemotherapy in a number of cancer indications including ovarian cancer.

BNC105

PROJECTED MILESTONES FOR THE BNC105 PROGRAM

MILESTONE	TIMING
21 clinical trial sites open in renal cancer trial	4Q, CY 2011
Initiation of Phase I / II ovarian cancer clinical trial	1H, CY 2012
Presentation of clinical data at ASCO	2Q, CY 2012
Presentation of BNC105 data at AACR	2Q, CY 2012
Completion of renal trial enrolment	4Q, CY 2012

INTELLECTUAL PROPERTY PORTFOLIO.

Bionomics continues to build a strong patent portfolio covering the key elements of its business.

Through the worldwide Patent Cooperation Treaty (PCT) mechanism, Bionomics and its related companies were granted 3 patents this financial year, 9 PCT patent applications entered the national and regional phases of examination and 7 provisional patent applications were filed as indicated below.

New patent applications granted or filed this financial year:

GRANTED				
PATENT NO.	**COUNTRIES**	**TITLE**	**GRANT DATE**	**PROGRAM**
576036	New Zealand	Novel Anxiolytic Compounds	9 February 2011	BNC210
2007202499	Australia	Mutations in Ion Channels	3 March 2011	Epilepsy
553126	New Zealand	Compositions and Methods for Angiogenesis Related Molecules and Treatments	8 March 2011	Angiogenesis

FILED			
PATENT NO.	**COUNTRIES**	**TITLE**	**PROGRAM**
2011900738	Australian Provisional	Novel Small Molecules as Therapeutics	BNC210
2011201761	Australian Divisional	Loci for Idiopathic Generalised Epilepsy, Mutations Thereof and Methods of Using Same to Assess, Diagnose, Prognose, or Treat Epilepsy	Epilepsy
12/954154	United States of America	Combination Therapy for Treating Proliferative Diseases	BNC105
2011900737	Australian Provisional	Methods of Treating a Disease or Condition of the Central Nervous System	BNC210
2011901791	Australian Provisional	Methods for the Kilogram Scale Synthesis of 1,8-naphthyridine Compounds	BNC210
PCT/AU2009/000739	Australia, Canada, China, Europe, Japan, New Zealand & United States of America	Novel (Heteroaromatic Heterocyclic) Potassium Channel Blockers and Uses Thereof	Kv1.3
61/486536	United States of America Provisional & Europe	Amine Derivatives	Kv1.3

FILED			
PATENT NO.	**COUNTRIES**	**TITLE**	**PROGRAM**
2011900319	Australian Provisional	Positive Allosteric Modulators and Uses Thereof – 1	Alpha 7 Nicotinic Acetylcholine Receptor
2011900317	Australian Provisional	Positive Allosteric Modulators and Uses Thereof – 2	Alpha 7 Nicotinic Acetylcholine Receptor
2010-37197	Japan Divisional	DNA Sequences for Human Angiogenesis Genes	Angiogenesis
12/861624	United States of America Continuation in Part	Method for Identifying Nucleic Acid Molecules Associated with Angiogenesis	Angiogenesis
PCT/AU2010/001097	Australia	Combination Therapy	BNC105
PCT/AU2010/001108	Australia	Treatment for Macular Degeneration	BNC105
PCT/AU2010/001595	Australia	Tubulin Biomarker Assay	BNC105
2010903175	Australian Provisional	Chemical Processes for the Manufacture of Substituted Benzofurans	BNC105
12/681763	United States of America	Novel Aryl Potassium Channel Blockers and Uses Thereof	Kv1.3

OVERVIEW OF PATENT PORTFOLIO

- 5 patent applications covering BNC105, related molecules and biomarkers
- 4 patent applications covering BNC210 and its use in the treatment of anxiety and other disorders
- 8 patent applications covering molecules which inhibit the activity of the Kv1.3 ion channel and the use of these molecules in the treatment of Multiple Sclerosis and other autoimmune disorders
- 2 patent applications covering Parkinson's Disease and related disorders
- 2 patent applications covering memory enhancement and related disorders
- 52 pending patent applications covering discoveries made utilising Bionomics' ionX® and Angene® platforms

BOARD OF DIRECTORS.

MR CHRISTOPHER FULLERTON
BEc

Chairman
Non-Executive Director

Mr Fullerton has extensive experience in investment, management and investment banking and is a qualified chartered accountant. He is the Managing Director of Mandalay Capital Pty Limited, an investor in listed securities and private equity. Mr Fullerton was non-executive Chairman of Cordlife Limited and Health Communication Network Limited, and held non-executive directorships with Global Health Limited, The Environmental Group Limited, Standard Chartered Australia Limited, Alliance Properties Limited and Federal Airports Corporation.

DR DEBORAH RATHJEN
PhD, FTSE, MAICD

Chief Executive Officer
and Managing Director

A seasoned biotech executive of almost 20 years, Dr Deborah Rathjen joined Bionomics in June 2000 from Peptech Limited, where she was Manager of Business Development and Licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF, providing Peptech with a strong commercial basis for licensing negotiations with BASF, Centocor and other companies with anti-TNF products. Dr Rathjen has significant experience in research, business development and licensing. Dr Rathjen is Chairperson of the AusBiotech Board, and in 2004 was awarded the AusBiotech President's Medal for her significant contribution to the Australian biotechnology industry. In 2006 she received a Distinguished Alumni Award from Flinders University, in 2009 the BioSingapore Asia Pacific Woman Entrepreneur of the Year, and in 2010 Bio Innovation SA Industry Leader Award.

DR ERROL DE SOUZA
PhD

Non-Executive Director

Dr De Souza is a leader in research and development concerning the central nervous system (CNS). He is currently President and CEO of leading US company Biodel Inc (Nasdaq: BIOD) and is the former President and CEO of US biotech companies Archemix Corporation and Synaptic Pharmaceutical Corporation. Dr De Souza formerly held senior management positions at Aventis and its predecessor Hoechst Marion Roussel Pharmaceuticals, Inc. Most recently, he was Senior Vice President and Site Head of US Drug Innovation and Approval (R&D), at Aventis, where he was responsible for the discovery and development of drug candidates through Phase IIa clinical trials for CNS and inflammatory disorders. Prior to Aventis, he was a co-founder and Chief Scientific Officer of Neurocrine Biosciences (Nasdaq: NBIX). Dr De Souza serves on multiple editorial boards, National Institutes of Health (NIH) Committees and is a Director of several public and private companies in the US.

MR TREVOR TAPPENDEN
CA, FAICD

Non-Executive Director

Mr Tappenden commenced his career as a Non-Executive Director in 2003 after a career with Ernst & Young spanning 30 years. During his time at Ernst & Young Mr Tappenden held a variety of positions including Managing Partner of the Melbourne Office, member of the Board of Partners, Head of the Victorian Government Services Group and National Director of the Entrepreneurial Services Division. He holds directorships in various private, government and not-for-profit organisations and is the Chairman of the Audit and Risk Management Committees of many of those organisations.

MANAGEMENT

MS MELANIE YOUNG
BCom, CA

Chief Financial Officer and Company Secretary

Ms Young has over 12 years experience, with six years in the medical device field, including the last two years as CFO of an ASX-listed company covering all facets of the company's global finance function. In particular, her considerable commercial experience in listed company reporting requirements, international finances and working capital management will complement the Bionomics team. Ms Young has also gained experience in negotiating distributor agreements, due diligence, cost reduction strategies and improving operating efficiencies. Previously Ms Young worked for Deloitte Touche Tohmatsu in the Growth Solutions Division. Ms Young holds a Bachelor of Commerce from Deakin University and is a Chartered Accountant.

DR EMILE ANDRIAMBELOSON
PhD

Head of Research Neurofit

Dr Emile Andriambeloson joined Neurofit in 2002 from Novartis Pharma and has played an important role in the development of Neurofit's business. In 2005 Dr Andriambeloson became the Head of Research at Neurofit and is the key interface with Neurofit's international customer base as well as Bionomics' CNS programs. Dr Andriambeloson has a PhD from the University of Strasbourg in France and is recognised for his expertise in pharmacology. He is the author of 20 articles published in highly regarded peer reviewed scientific journals. Dr Andriambeloson's previous positions include Novartis Pharma (Basel, Switzerland), Heart Research Institute (Sydney, Australia) and University of New South Wales (Sydney, Australia).

DR ANDREW HARVEY
BSc (Hons), PhD

Vice President Drug Discovery

Dr Andrew Harvey joined the chemistry group at Bionomics in 2007 and has led the group in the Multiple Sclerosis collaboration with European pharmaceutical company, Merck Serono, since the collaboration began in June 2008. He played a leading scientific role in the partnering discussions with Merck Serono and has inventorship on each of Bionomics' Multiple Sclerosis patents. Dr Harvey became the Vice President of Chemistry in 2009. During his prior employment at The Walter and Eliza Hall Institute for Medical Research, Dr Harvey was awarded a National Health and Medical Research Council Industry Fellowship for his research in identifying new treatments for Multiple Sclerosis. He holds a PhD and a BSc (Honours) from Canterbury University in New Zealand.

DR GABRIEL KREMMIDIOTIS
BSc (Hons), PhD

Vice President Research & Development

Dr Gabriel Kremmidiotis joined Bionomics in January 2002 and his early work focused on Cancer Biology leading to the establishment of the Angene® platform and the discovery of Bionomics' oncology molecule BNC105. Dr Kremmidiotis led the efforts of progressing BNC105.
He holds a PhD and a Bachelor of Science (Honours) from Flinders University and a Bachelor of Science from The University of Melbourne. Dr Kremmidiotis is an author of 25 articles published in internationally-recognised scientific journals including Clinical Cancer Research, Molecular Cancer Therapeutics, Cell and Proceedings of the National Academy of Sciences. Dr Kremmidiotis is a member of the American Association for Cancer Research (AACR) and American Society of Clinical Oncology (ASCO).

CORPORATE GOVERNANCE STATEMENT.

Bionomics Limited (the Company) and the Board are committed to achieving and applying a high standard of corporate governance taking into consideration the Company's size and the industry in which the Company operates.

The Company's framework is consistent with the Australian Securities Exchange (ASX) Corporate Governance Council (ASX CGC) guidelines.

The relationship and division of responsibilities between the Board and other key management personnel is critical to the Company's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and for seeking an appropriate balance between sometimes competing objectives in determining the best interests of the Company. Their focus is to enhance the interests of shareholders and to ensure the Company is properly governed.

Day to day management of the Company's affairs, including the implementation of its approved strategy and policy initiatives, is delegated by the Board to the Chief Executive Officer and Managing Director and other key management personnel, except for matters expressly required by law to be approved by the Board. This delegation process has been formalised by the documentation of responsibilities between the Chairman and the Chief Executive Officer and Managing Director and incorporated into the Board's charter.

The following corporate governance framework has been implemented to ensure the highest level of corporate governance is achieved:

- establishment of an internal control framework focusing on key business risks;
- adoption of a code of professional ethics and conduct which applies to all directors, officers and employees;
- implementation of strict policies regarding related party transactions and the acquisition and disposal of the Company's securities by directors, officers and employees; and
- adoption of clear reporting and communication policies and procedures.

A description of the Company's main corporate governance practices are following. All these practices, unless otherwise stated, were in place for the entire year.

THE BOARD OF DIRECTORS

The Board of Directors (the Board) operates in accordance with the broad principles formally set out in its charter (Board Charter) that is available from the corporate governance section of the Company website at **www.bionomics.com.au.** The Board Charter details the Board's composition and responsibilities.

The Board Charter (inter alia) states:

- the Bionomics' Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently, and in accordance with the law in fulfilling its primary responsibility of looking after the interests of Bionomics' shareholders. These interests are well served by also taking into consideration the interests of other stakeholders such as employees and affiliated institutions.
- the Board is to be comprised of both executive and non-executive directors with a majority of non-executive directors.
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the majority of the Board must be independent of management and all directors are required to bring independent judgement to bear in their Board decision making.
- the Board shall undertake an annual Board performance evaluation to identify any improvements necessary for both its operations and the Board Charter.

RESPONSIBILITIES OF THE BOARD

The responsibilities of the Board include:

- approving the strategic direction, objectives and annual financial budget of Bionomics and monitoring the implementation of those strategies and achievement of those objectives and budget.
- monitoring compliance with regulatory requirements and ethical standards.
- appointing, and reviewing the performance of the Chief Executive Officer and Managing Director and of the performance of the Chief Executive Officer's direct reports in achieving corporate goals.
- approving announcements to shareholders and the ASX.
- approving significant third party agreements.
- issuing shares, options, equity instruments or other securities.
- developing Bionomics' corporate governance procedures, systems of risk management and internal compliance and control, codes of conduct (including human resources policies), and legal compliance.
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures.
- assessing the composition of the Board and reviewing its processes and performance.

BOARD MEMBERS

Details of the members of the Board, their experience, expertise, qualifications, term of office and independence status are set out in the Directors' Report under the heading 'Information on Directors'. At the date of signing the Directors' Report there were three non-executive directors (including the Chairman), all of whom are deemed independent under the principles set out below, and one executive director.

The Board seeks to ensure that it is cognisant of the state of development of Bionomics as a company:

- at any point in time, its membership as a group has expertise in areas of current and future importance to the Company as it grows.
- the size of the Board is conducive to effective discussion and efficient decision-making.

DIRECTORS' INDEPENDENCE

The Board has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must be independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

Issues relating to an assessment of the independence of a director will be determined by reference to the guidance provided by the ASX CGC guidelines. The Board shall determine the thresholds of materiality from the perspective of both the Company and its directors in determining whether a director maintains his or her independence of mind.

TERM OF OFFICE

The Company's Constitution specifies that all non-executive directors must retire from office no later than the third AGM following their last election, however they may offer themselves for re-election.

ROLE OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's key management personnel.

The Chief Executive Officer and Managing Director is responsible for implementing the Company strategies and policies.

COMMITMENT

Regular Board meetings and reviews of strategy are held throughout the year to monitor performance against both the Board approved objectives and the Board's broad strategic plan.

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2011, and the number of meetings attended by each director is disclosed in the Directors' Report under the heading 'Meetings of Directors'.

It is the Company's practice to allow its executive directors to accept appointments outside the Company with prior written approval of the Board.

Conflict of Interests

All Board members are required as a continuing obligation to immediately notify the Board in writing of any actual or potential conflicts of interest or any circumstance that may affect a Board member's level of independence.

Independent Professional Advice

Directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities. Prior written approval of the Chairman is required, but this will not be unreasonably withheld. Copies of this advice will be made available to, and for the benefit of, all Board members at the discretion of the Chairman.

Performance Assessment

In line with the timetables setting out the adoption of the ASX CGC guidelines the Board undertakes an annual self assessment comparing its performance with the requirements of the Board Charter. In this process, the Chairman meets directors individually to assess how Board performance may be improved.

CORPORATE GOVERNANCE STATEMENT

CORPORATE REPORTING

For each of the half year and full year results, the Chief Executive Officer and Managing Director and Chief Financial Officer are required to make the following certifications to the Board:

- that the Company's financial statements are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control are operating efficiently and effectively in all material respects.

BOARD COMMITTEES

The Board has established one committee to assist in the execution of its duties and to allow detailed consideration of complex issues. This committee is the Audit and Risk Management Committee, which is comprised entirely of non-executive directors.

All matters determined by the committee are submitted to the full Board as recommendations for final Board decision. Minutes of committee meetings are tabled at a subsequent Board meeting.

There is no formal nomination committee for the Company. Nominations for the Board are considered by the full Board as part of normal business reviewed by the Board at its regular meetings.

Under the Board Charter, in the event that the Board believes a new director should be appointed, the Board shall review the range of skills, experience and expertise currently existing on the Board in relation to areas of current and future importance to the Company as it grows. Candidates are assessed against this review of needs and, where appropriate, advice is sought from independent search consultants.

Where the Board appoints a suitable candidate that person must stand for election at the next AGM of the Company.

Notices of meeting for the election of directors comply with the ASX CGC guidelines.

New directors will be provided with a letter of appointment setting out the Company's expectations, their responsibilities, rights and the terms and conditions of their appointment.

Compensation Committee

Due to the size of the Board, all Compensation Committee functions are handled by the full board rather than a subcommittee.

In this context, the Board decides on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors and non-executive directors.

All key management personnel sign a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. A formal establishment of annual objectives and subsequent evaluation of performance including a half-year review is conducted by the Chief Executive Officer and Managing Director with all key management personnel who report directly to that position.

Further information on directors' and other key management personnel's remuneration is set out in the Directors' Report and note 23 to the financial statements.

The Compensation Committee previously had responsibility for reviewing any transactions between the Company and the directors, or any interest associated with the directors, to ensure the structure and the terms of the transaction was in compliance with the Corporations Act 2001 and was appropriately disclosed. This is now the responsibility of the full Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of the following non-executive directors:

- Mr Trevor Tappenden (Chairman)
- Mr Christopher Fullerton

Details of the directors' qualifications and all attendance at Audit and Risk Management Committee meetings are set out in the Directors' Report.

The Audit and Risk Management Committee has its own charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. This charter is available on the Company website.

The main responsibilities of the Committee are to:

- review, assess and recommend to the Board the annual financial statement and the half-year financial statement; and
- assist the Board in fulfilling its oversight responsibilities through reviewing:
  - the financial reporting process,
  - the system of internal control and management of risks,
  - the audit process, and
  - the Company's process for monitoring compliance with laws and regulations.

Included in these responsibilities, the Audit and Risk Management Committee:

- reviews the external auditors' proposed audit scope, approach and their performance;
- makes recommendations to the Board regarding the re-appointment of the external auditors;
- considers the independence of the external auditors including the range of non-audit related services provided by the external auditors to the Company; and
- ensures the Company establishes an effective Risk Management Policy and ensures compliance.

In fulfilling its responsibilities, the Audit and Risk Management Committee:

- receives regular reports from management and external auditors;
- reviews whether management is adopting systems and processes sufficient for a company of Bionomics' size and stage of development;
- reviews any significant disagreements between the external auditors and management, irrespective of whether they have been resolved;
- meets separately with external auditors at least twice a year without the presence of management; and
- provides external auditors with a clear line of direct communication at any time to either the Chairman of the Audit and Risk Management Committee or the Chairman of the Board.

The Audit and Risk Management Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party and to obtain external legal or other professional advice.

EXTERNAL AUDITORS

The Board's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually by the Audit and Risk Management Committee which also makes recommendations to the Board about the appointment of audit services for subsequent periods, taking into consideration assessment of performance, existing value and costs.

Deloitte Touche Tohmatsu were appointed as external auditor in 2007. Deloitte's policy is to rotate engagement partners every five years in line with the requirements of the Corporations Act 2001.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in note 26 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to both the Audit and Risk Management Committee and the Board.

The external auditor is requested to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

RISK ASSESSMENT AND RISK MANAGEMENT

The Board, through the Audit and Risk Management Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, Company policies are designed to ensure significant strategic, operational, legal, reputational and financial risks are identified, assessed, and effectively monitored and managed in a manner sufficient for a company of Bionomics' size and stage of development to enable achievement of the Company's business strategy and objectives.

The Company's risk management policies are managed by the key management personnel and are reviewed by the Audit and Risk Management Committee according to a timetable of assessment and review proposed by that Committee and approved by the Board.

CORPORATE GOVERNANCE STATEMENT

ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT POLICIES

The Company recognises the importance of occupational health and safety (OH&S) and is committed to the highest levels of performance. To help meet this objective, policies have been established to facilitate the systematic identification of OH&S issues and to ensure they are managed in a structured manner.

This system allows the Company to:

- monitor its compliance with all relevant legislation; and
- encourage employees to actively participate in the management of OH&S issues.

The Company is in full compliance with all necessary environmental and other licensing requirements required for its research facility in Thebarton (South Australia) and for Neurofit SAS (France).

CODE OF CONDUCT

In its Board Charter, the Board has recognised its overriding responsibility to act honestly, fairly, diligently, and in accordance with the law in fulfilling its primary responsibility of looking after the interests of Bionomics' shareholders. The Board believes that the interests of shareholders are best served by also taking into account the interests of other stakeholders such as Bionomics' employees and individuals engaged in Bionomics' directed research at Bionomics' affiliated institutions.

The Board will work to promote and maintain an environment within Bionomics that establishes these principles as basic guidelines for all employees.

Bionomics has formalised a code of business conduct and ethics. A number of policies that relate to business conduct are in place including harassment prevention and share trading.

Copies of the share trading policies for directors and for employees are available on the Company's website.

CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company has written policies and procedures that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at AGMs. These policies and procedures are available on the Company's website.

The Chief Executive Officer and Managing Director has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All announcements disclosed to the ASX are posted on the Company's website as soon as practical after disclosure to the ASX. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

All shareholders are entitled to receive a copy of the Company's annual report. In addition, the Company seeks to provide opportunities for shareholders to participate through electronic means. Recent initiatives to facilitate this include making all Company announcements, details of Company meetings, press releases for the last three years, and financial statements available on the Company's website along with transcripts to the Chairman's and Chief Executive Officer and Managing Director's addresses to the Company's AGMs.

The website also includes a feedback and information request mechanism for investors and shareholders via the Contact Us page of the website.

AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The financial statements are prepared in accordance with AIFRS.

DIRECTORS' REPORT.

Your directors present their report on the financial statements of the Group for the year ended 30 June 2011, comprising the parent entity Bionomics Limited (Bionomics) and its subsidiaries. In order to comply with the Corporations Act 2001, the directors report as follows:

Directors
The following persons were directors of Bionomics during the period and up to the date of this report:

- Mr Christopher Fullerton, Non-Executive Chairman
- Dr Deborah Rathjen, Chief Executive Officer and Managing Director
- Mr Trevor Tappenden, Non-Executive Director
- Dr Errol De Souza, Non-Executive Director

The above named directors held office during the whole of the financial year and since the end of the financial year.

Principal Activities
The principal activities of the Group during the period were:

- to undertake research and development utilising Bionomics' proprietary technology platforms with the aim of identifying and developing therapies to treat cancer and conditions of the Central Nervous System (CNS), including anxiety, Multiple Sclerosis and epilepsy;
- to commercialise intellectual property assets; and
- to identify strategic alliances and project opportunities capable of increasing shareholder value and of enhancing the competitive advantage of Bionomics within the biotechnology industry.

Operating Results
Consolidated revenue for the year to 30 June 2011 increased by 5.8% to $4,071,798. Grant funding for the period was $64,625. This compared with revenues of $3,848,469 and grant funding of $34,618 for the year to 30 June 2010. The operating loss after tax of the Group for the year to 30 June 2011 was $9,324,214 compared with the prior year after tax loss of $8,214,082.

The consolidated group's Statement of Financial Position was strengthened by a capital raising in May 2011, which raised net $12.26m, and the sale and leaseback of the Thebarton premises which settled on 13 July 2011 giving net cash inflow of $4.1m. Cash at 30 June 2011 was $16.052m.

Review of Operations
Drug Development
BNC210: A "Next Generation" Treatment for Anxiety and Depression
On 5 October 2010 Bionomics' announced that it had obtained approval from the French Medical Agency AFSSAPS (Agence Francaise de Securite Sanitaire des Produits de Santé) and the ethics committee of the Strasbourg Hospital, CPP (Comite de Protection des Personnes), to perform two Phase Ib clinical trials of BNC210. Both trials were conducted by Forenap Pharma.

On 30 March 2011 Bionomics announced the successful conclusion of both trials.

The first trial evaluated the effects of BNC210 on panic symptoms induced by the administration of the peptide CCK-4 to 15 healthy male subjects classified as having a panic attack. The severity of panic symptoms was assessed by the Panic Symptom Scale (PSS). BNC210 reduced both the total PSS score (total symptoms) and the intensity of symptoms when measured ten minutes after the induction of the panic attack. With BNC210 treatment the number and intensity of symptoms decreased faster than with placebo and this reduction in symptoms was significant ($p<0.05$ for both the total symptom score and the intensity of symptoms). There was a strong, positive trend on the emotional stability of subject suffering a panic attack which was associated with BNC210 treatment. When treated with BNC210, subjects returned to normal emotional status within ten minutes of the administration of CCK-4 compared to 60 minutes on placebo. This trend correlated with the statistically significant reduction in panic symptoms by BNC210.

The second trial compared BNC210 with Lorazepam (a Valium-like anxiety drug) on measures of attention, memory, co-ordination, addiction and sedation. Data from the 21 subjects evaluated in the trial confirmed the lack of debilitating side-effects of BNC210 relative to Lorazepam across all measures. An important finding from the trial was that EEG data showed BNC210-related changes in human brain activity indicative of efficacy in the absence of sedation.

Completion of these trials marked a significant milestone for the future development of BNC210. Previous trials had indicated that BNC210 is safe and well tolerated and that drug levels from a single administration supporting its potential for once a day dosing. With the clinical data obtained over the past 12 months the execution of Bionomics partnership strategy has been strengthened and the Phase II development path for BNC210 clear. If successfully developed BNC210 is a solid candidate to replace current drugs in the market used to treat anxiety and depression, many of which are multi-billion dollar blockbusters.

Bionomics continues to expand the science of BNC210 and to present new developments to major international conferences. For example, in November 2010 new BNC210 data was presented at a major US conference, Neuroscience 2010, demonstrating that BNC210 is highly effective in preclinical models of drug-induced anxiety. The new data also showed that BNC210 modulates molecular pathways that are targeted by several marketed drugs, including selective serotonin reuptake inhibitors (SSRI's) such as Prozac, Lexapro, Effexor and Zoloft which are used to treat chronic forms of anxiety and depression.

DIRECTORS' REPORT

BNC105: A Highly Selective and Potent Vascular Disrupting Agent (VDA) for the Treatment of Solid Tumours
Bionomics continued to progress its knowledge of the activity of BNC105 through preclinical evaluation in a range of tumour models. In April 2011 Bionomics' scientists presented data at the American Association of Cancer Research (AACR) on the VDA effects of BNC105 in two mouse models of renal cancer, including a model in which the cancer spreads to the lungs. BNC105 was shown to induce tumour blood vessel shutdown in both the primary tumour and the secondary lung cancer. BNC105 activity was shown to be comparable to that of the blockbuster drug Sutent which had worldwide sales of US$1.066 billion in 2010. Sutent is used in first line therapy of renal cancer. A second poster described the efficacy of BNC105 in combination with cisplatin and gemcitabine.

Initial data from Bionomics' clinical trials of BNC105, released on 3 August 2011, have yielded encouraging data on the safety and tolerability of BNC105 in combination with Afinitor in patients with metastatic renal cancer and at 12.6 mg/m^2 when used as a monotherapy in mesothelioma patients who have failed therapy with Alimta and cisplatin. In both clinical trials individual patients have completed > nine cycles of treatment. The interim analysis of the mesothelioma trial showed one patient with an objective response (57% reduction in tumour measurement) and at least five patients with stable disease as measured by RECIST, with the disease status of three patients still to be confirmed as stable disease. Following review of this initial and interim data respectively Bionomics is now pursuing a clinical development strategy which incorporates BNC105 into standard chemotherapy regimens which include platinum based drugs and a trial in women with ovarian cancer is to be initiated in 2012. Enrolment into the mesothelioma trial has now been discontinued.

Drug Discovery
Kv1.3: Collaboration with Merck Serono Extended
On 9 June 2011 Bionomics announced the extension of its collaborative Multiple Sclerosis (MS) research program with Merck Serono, a division of Merck KGaA, Darmstadt, Germany.

Merck Serono is actively developing potential new treatments for MS and other autoimmune conditions based on compounds from the Bionomics Kv1.3 program. The R&D collaboration brings together Bionomics' expertise in Kv1.3 biology and Merck Serono's expertise in MS pharmacology, clinical development and commercialisation.

Under the 2008 agreement, Bionomics received an upfront payment of US$2 million and committed research funding that has now been extended under the current amendment. Merck Serono will fund all development, including clinical development of drug candidates. For each compound that is successfully developed and commercialised as a result of the partnership, Bionomics may receive milestone payments of up to US$47 million and will be eligible to receive undisclosed royalties on the net sales of licensed products.

The compounds licensed from Bionomics by Merck Serono target the potassium ion channel Kv1.3, a key modulator of the immune system and a target found on human immune cells which are associated with nerve cell damage in patients with MS. Inhibitors of Kv1.3 have been shown to inhibit the proliferation of these immune cells, suggesting they have application in the treatment of MS and potentially other autoimmune conditions, including arthritis.

Pipeline Development
Bionomics has continued to exploit its core technology platforms MultiCore®, ionX® and Angene® to identify the innovative drug candidates. In cancer Bionomics is working with the CRC for Cancer Therapeutics on an undisclosed kinase target.

Bionomics' CNS drug pipeline is also moving forward. On 4 February 2011 Bionomics announced that it had filed two patent applications covering compounds that are activators of the alpha 7 nicotinic acetylcholine receptor. These compounds restore memory loss caused by the administration of scopolamine to animals.

The prevalence of conditions where an effective, memory-improving drug may find clinical application is large, providing a very significant commercial opportunity. Bionomics' compounds, which have potent activity in restoring memory in animal tests, have the potential to treat Alzheimer's disease by both improving memory and reducing brain tissue inflammation. Activation of the alpha7 nicotinic acetylcholine receptor may also improve function in a variety of neuropsychiatric diseases that feature memory impairment including schizophrenia, Attention Deficit Hyperactivity Disorder (ADHD) as well as in mood and anxiety disorders.

Contract Services
Neurofit Continues to Add Significant Value to Bionomics
The operations of our European subsidiary continue to meet the expectations of their external customers and to add value to Bionomics R&D, in particular to BNC210 and to the Alpha 7 Alzheimers Disease program. Total revenue in the period was $4.20 million compared to $2.75 million in the previous period with $2.62 million in work performed for Bionomics in FY2011 compared to $887,501 in FY2010.

Neurofit secured new contracts with major pharmaceutical companies including through Master Service Agreements, Neurofit also continued to expand its service offering, particularly in oncology, in response to its customer's needs.

Corporate
In May 2011 Bionomics' major shareholder, Start-up Australia Ventures (Start-up), reduced its holding in Bionomics through the sale of shares to Australian and overseas institutional investors. In light of significant excess demand for the Start-up sell-down, Bionomics initiated, and successfully completed, an institutional placement of 25 million fully paid, ordinary shares to raise $14.25 million. This capital raising has provided Bionomics with flexibility in the development of its drug pipeline.

In a further corporate development designed to strengthen the Company's balance sheet, on 4 May 2011 Bionomics announced that it had entered into a contract for the sale of its research facility in Thebarton. As indicated previously this transaction was settled on 13 July 2011, with Bionomics receiving net proceeds of $4.1 million. Concurrent with the sale Bionomics entered into a long term leaseback arrangement with the purchaser for a 10 year period with options to extend for up to 10 years thereafter.

Outlook
Bionomics has undergone a transformation in FY11 achieving important clinical milestones in the BNC210 program, making progress in the discovery of new drug candidates for important diseases such as Alzheimers Disease, and re-positioning its share register. The results of the clinical trials of BNC210, which is in development for the treatment of anxiety and depression, and since year end, BNC105 which is in development for the treatment of solid tumours, together with the extension of our collaboration with global Pharma company Merck Serono have cemented Bionomics position as a fully integrated, international drug discovery and development company. The capital raising undertaken in May and the sale of Bionomics' research facility have strengthened the Company's balance sheet. Consequently the Company is well placed to execute its partnership strategies for BNC210 and BNC105. In addition the Company is moving quickly to commence the clinical trial of BNC105 in women with ovarian cancer.

Dividends
The directors do not propose to make any recommendation for dividends for the current financial year. There were no dividends declared in respect of the previous financial year.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Subsequent Events
No matters or circumstances have arisen since the end of the financial year which significantly affects or may significantly affect the results of the operations of the Group, except for the settlement of the sale and leaseback of the Thebarton premises on 13 July 2011 in line with the contract executed on 29 April 2011.

Likely Developments and Expected Results of Operations
The Group will continue to undertake drug discovery and will seek to commercialise the outcomes of its research and development in the form of diagnostic products and drugs for the treatment of disease.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because further disclosure would not be in the Group's best interests.

Environmental Regulation
The Group is subject to environmental regulations and other licenses in respect of its research facilities in Thebarton (South Australia) and for Neurofit (France). The Group is subject to regular inspections and audits by responsible State and Federal authorities. The Group was in compliance with all the necessary environmental regulations throughout 2010 - 2011 and no related issues have arisen since the end of the financial year to the date of this report.

INFORMATION ON DIRECTORS

Mr Christopher Fullerton BEc
Chairman – Non-Executive
Director since 23 December 2008

Experience and Expertise
Mr Fullerton has extensive experience in investment, management and investment banking and is a qualified chartered accountant. He is the Managing Director of Mandalay Capital Pty Limited, an investor in listed securities and private equity. Mr Fullerton was non-executive Chairman of Cordlife Limited and Health Communication Network Limited, and held non-executive directorships with Global Health Limited, The Environmental Group Limited, Standard Chartered Australia Limited, Alliance Properties Limited and Federal Airports Corporation.

Current Directorships (in addition to Bionomics Limited)
Listed: Nil
Other: Mandalay Capital Pty Limited;
Kador Group Holdings Pty Limited

Former Listed Directorships in Last Three Years
Cordlife Limited; Global Health Limited;
The Environmental Group Limited

Special Responsibilities
Member of Audit and Risk Management Committee

Interests in Shares and Options
4,825,020 ordinary shares in Bionomics Limited
1,000,000 unlisted options over ordinary shares in Bionomics Limited

DIRECTORS' REPORT

Dr Deborah Rathjen BSc (Hons), MAICD, PhD
Chief Executive Officer and Managing Director
Director since 18 May 2000

Experience and Expertise
Dr Rathjen joined Bionomics in June 2000 from Peptech Limited, where she was general manager of business development and licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF. Dr Rathjen has significant experience in research, business development and licensing and specific expertise in inflammation and cancer. Dr Rathjen is Chairperson of the AusBiotech Board.

Current Directorship (in addition to Bionomics Limited)
Listed: Nil
Other: Director and Chairperson of AusBiotech Limited (since 2008)

Former Listed Directorships in Last Three Years
None

Special Responsibilities
Chief Executive Officer and Managing Director

Interests in Shares and Options
1,343,689 ordinary shares in Bionomics Limited
1,965,000 unlisted options over ordinary shares in Bionomics Limited

Mr Trevor Tappenden CA, FAICD
Non-Executive Director
Director since 15 September 2006

Experience and Expertise
Mr Tappenden was a partner of Ernst & Young between 1982 and 2003, holding a variety of positions including Managing Partner of the Melbourne office, member of the Board of Partners, head of the Victorian Government Services Group and National Director of the Entrepreneurial Services Division. Mr Tappenden is a director of public, private, government and not-for-profit organisations. He is the Chairman of the Audit and Risk Management Committees of many of those organisations.

Current Directorships (in addition to Bionomics Limited)
Listed companies: Director, Metal Storm Limited
Other: Chairman, Heide Museum of Modern Art; Director, Buckfast Pty Ltd; Director, Dairy Food Safety Victoria; Director, Advanced Manufacturing CRC; Councillor, RMIT University

Former Listed Directorships in Last Three Years
None

Special Responsibilities
Chairman of Audit and Risk Management Committee

Interests in Shares and Options
245,899 ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in Bionomics Limited

Dr Errol De Souza PhD
Non-Executive Director
Director since 28 February 2008

Experience and Expertise
Dr De Souza is a leader in research and development concerning the central nervous system (CNS). He is currently President and CEO of leading US company Biodel Inc (Nasdaq: BIOD) and is the former President and CEO of US biotech companies Archemix Corporation and Synaptic Pharmaceutical Corporation. Dr De Souza formerly held senior management positions at Aventis and its predecessor Hoechst Marion Roussel Pharmaceuticals, Inc. Most recently, he was Senior Vice President and Site Head of US Drug Innovation and Approval (R&D), at Aventis, where he was responsible for the discovery and development of drug candidates through Phase IIa clinical trials for CNS and inflammatory disorders. Prior to Aventis, he was a co-founder and Chief Scientific Officer of Neurocrine Biosciences (Nasdaq: NBIX). Dr De Souza serves on multiple editorial boards, National Institutes of Health (NIH) Committees and is a director of several public and private companies.

Current Directorships (in addition to Bionomics Limited)
Listed companies: Nil
Other: Director of Biodel Inc (Nasdaq: BIOD); Director of Targacept, Inc (Nasdaq: TRGT); Massachusetts Biotechnology Council

Former Listed Directorships in Last Three Years
Director of IDEXX Laboratories, Inc (Nasdaq: IDXX); Director of Palatin Technologies, Inc (Amex: PTN)

Special Responsibilities
None

Interests in Shares and Options
116,698 ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in Bionomics Limited

Company Secretary
The Company Secretary is Ms Melanie Young. Ms Young was appointed to the position of Company Secretary and Chief Financial Officer in May 2011. Ms Young has over 12 years experience, with six years in the medical device field, including the last two years as CFO of an ASX-listed company covering all facets of the company's global finance function. Ms Young has considerable commercial experience in listed company reporting requirements, international finances and working capital management. Ms Young has also gained experience in negotiating distributor agreements, due diligence, cost reduction strategies and improving operating efficiencies. Previously Ms Young worked for Deloitte Touche Tohmatsu in the Growth Solutions Division. Ms Young holds a Bachelor of Commerce from Deakin University and is a Chartered Accountant.

Meetings of Directors
The numbers of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2011, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of Audit and Risk Management Committee	
	A	B	A	B
Mr Christopher Fullerton	16	16	3	3
Dr Deborah Rathjen*	16	16	**	**
Mr Trevor Tappenden	16	16	3	3
Dr Errol De Souza	16	16	**	**

A = Number of meetings held during the time the director held office or was a member of the committee during the year and was entitled to attend.
B = Number of meetings attended.
* = Not a non-executive director.
** = Not a member of the relevant committee, may attend by invitation.

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation
5. Additional information

1. Principles Used to Determine the Nature and Amount of Remuneration
The objective of the Group's key management personnel remuneration framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework aligns key management personnel rewards with achievement of strategic objectives and the creation of value for shareholders.

Key management personnel remuneration and other terms of employment are determined by the Board having regard to performance, relevant comparative information and the Group's financial performance.

Remuneration packages are set at levels that are intended to attract and retain first class key management personnel capable of managing the Group's operations and achieving the Group's strategic objectives.

The framework provides a mix of base cash remuneration and performance-based remuneration through the Bionomics Limited Employee Share Option Plan (the Bionomics ESOP) in order to align the interests of key management personnel with those of shareholders.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands that are made on and the responsibilities of the directors. To preserve the cash resources of the Group, all non-executive directors opted up until 30 June 2010 to receive approximately one third of their remuneration in Bionomics shares, which were issued following shareholder approval at an AGM. The non-executive directors did not opt for this during the year ended 30 June 2011.

Non-executive directors may receive share options at the time of their initial appointment to the Board or at other such times as approved by shareholders.

Directors' Fees
Non-executive directors' fees are determined within an aggregate directors' fee pool limit that is periodically recommended for approval by shareholders under the Constitution. The current aggregate non-executive directors' fee pool limit is $400,000 per annum. The Chairman and non-executive directors' fees are $110,000 per annum and $65,000 per annum respectively, inclusive of superannuation. The Chairman of the Audit and Risk Management Committee, Mr Trevor Tappenden, received an additional $10,000 per annum inclusive of superannuation for services relating to his Audit and Risk Management Committee duties. Dr Errol De Souza received an additional $10,000 per annum inclusive of superannuation for being a member of the Scientific Advisory Board.

Any value that may be attributed to options issued to non-executive directors is not included in the shareholder approved aggregate limit of directors' fees applying from time to time.

Retirement Allowance for Directors
The Group does not provide retirement allowances for its non-executive directors.

Key Management Personnel Remuneration
The key management personnel pay and reward framework has three components:

- a cash remuneration package, including superannuation and other entitlements;
- longer-term incentives through participation in the Bionomics ESOP; and

- in exceptional circumstances, a cash bonus may be paid.

The combination of these comprises the key management personnel's total remuneration.

Base Remuneration
The cash remuneration package of key management personnel is structured as a total employment cost package that may be delivered as a mix of cash and prescribed salary sacrifice benefits at the key management personnel's discretion, inclusive of superannuation.

Remuneration levels are reviewed annually and an assessment made against market comparable roles balanced with individual key management personnel's performance and the Group's financial position. The key management personnel's remuneration may also be reviewed on promotion. The Board reviews and approves the salary of the Chief Executive Officer and Managing Director and key management personnel directly reporting to the Chief Executive Officer and Managing Director.

There is no policy or monitoring of other key management personnel limiting their risk in relation to issued options. There is no link between the Company's performance and the setting of remuneration except as discussed on page 36 in relation to options for certain executives.

There are no guaranteed base pay increases for key management personnel.

Retirement Benefits
Retirement benefits through superannuation are paid for all Group employees in line with relevant superannuation legislative requirements into funds nominated by the individual employee. The Group does not have any on-going responsibility for the individual employee superannuation and does not have in place a defined benefits plan for employees.

The Bionomics ESOP
Information on the Bionomics ESOP is set out in section 4 of this Remuneration Report.

2. Details of Remuneration
Details of the remuneration of each director of Bionomics and each of the other key management personnel (as defined in the Corporations Act, 2001) are set out in the following tables.

Non-Executive Chairman
Mr Christopher Fullerton

Executive Director
Dr Deborah Rathjen, Chief Executive Officer and Managing Director

Non-Executive Directors
Mr Trevor Tappenden
Dr Errol De Souza

The following persons were the highest paid key Company and Group executives and those with greatest authority for the strategic direction and management of the Group (key management personnel) during the financial year and the prior year unless otherwise stated:

Name	Position
Dr Emile Andriambeloson	Director of Research (Neurofit SAS)
Dr Andrew Harvey	Vice President Drug Discovery
Dr Gabriel Kremmidiotis	Vice President Research and Development
Ms Melanie Young (appointed 9 May 2011)	Chief Financial Officer and Company Secretary
Mr Trevor Thiele (resigned 13 May 2011)	Chief Financial Officer and Company Secretary

Details of options granted by Bionomics to and exercised by directors and key management personnel during the year ended 30 June 2011 are set out further in this note.

Directors and Other Key Management Personnel – 2011

	SHORT-TERM BENEFITS		POST EMPLOY-MENT	SHARE-BASED PAYMENTS			
NAME	CASH SALARY AND FEES $	NON-MONETARY BENEFITS $	SUPERAN-NUATION $	SHARES $	OPTIONS $	OPTIONS % OF TOTAL	TOTAL $
Mr Christopher Fullerton	100,917	–	9,083	–	44,517	28.81	**154,517**
Dr Deborah Rathjen	363,188	71,613	15,199	–	13,647	2.94	**463,647**
Mr Trevor Tappenden	68,807	–	6,193	–	3,935	4.99	**78,935**
Dr Errol De Souza	75,000	–	–	–	8,469	10.15	**83,469**
Dr Emile Andriambeloson	175,099	–	–	–	1,087	0.62	**176,186**
Dr Andrew Harvey	155,963	–	14,037	–	14,091	7.65	**184,091**
Dr Gabriel Kremmidiotis	195,000	9,801	15,199	–	5,436	2.41	**225,436**
Ms Melanie Young (appointed 9 May 2011)	20,999	996	1,980	–	–	–	**23,975**
Mr Trevor Thiele (resigned 13 May 2011)	151,893	31,735	13,652	–	32,942	14.31	**230,222**
TOTALS	**1,306,866**	**114,145**	**75,343**	–	**124,124**	**7.66**	**1,620,478**

In lieu of cash bonuses Dr Harvey and Dr Kremmidiotis received options valued at $5,436 each during the year. Bonuses paid as options in July 2010 were dependent on the satisfaction of the individual's performance criteria. Dr Andriambeloson's cash salary includes a bonus payable of $12,556 relating to the agreed performance objectives of the Neurofit business unit for the year ended 30 June 2011. Mr Trevor Thiele was granted options valued at $32,942 in July 2010. These options lapsed upon resignation and the vesting conditions were not met. Executive managers are able to package their salaries into cash and non-monetary benefits.

Directors and Other Key Management Personnel – 2010

	SHORT-TERM BENEFITS		POST EMPLOY-MENT	SHARE-BASED PAYMENTS			
NAME	CASH SALARY AND FEES $	NON-MONETARY BENEFITS $	SUPERAN-NUATION $	SHARES $	OPTIONS $	OPTIONS % OF TOTAL	TOTAL $
Mr Christopher Fullerton	41,515	-	3,736	29,692	10,271	12.05	**85,214**
Dr Deborah Rathjen	294,061	51,478	14,461	45,600	59,080	12.71	**464,680**
Mr Trevor Tappenden	34,250	-	3,083	13,667	7,562	12.91	**58,562**
Dr Errol De Souza	37,333	-	-	18,272	11,088	16.63	**66,693**
Dr Peter Jonson (retired 4 November 2009)	17,275	–	1,555	9,436	4,926	14.84	**33,192**
Dr Emile Andriambeloson	146,229	–	–	–	2,377	1.60	**148,606**
Dr Andrew Harvey	103,028	–	11,972	30,000	14,784	9.25	**159,784**
Dr Gabriel Kremmidiotis	146,139	2,400	14,461	38,000	–	–	**201,000**
Mr Trevor Thiele (appointed 14 December 2009)	104,175	2,800	7,582	–	–	–	**115,357**
Mr Stephen Birrell (resigned 18 December 2009)	67,543	9,507	6,887	16,200	–	–	**100,137**
TOTALS	**992,348**	**66,185**	**63,737**	**200,867**	**110,088**	**7.68**	**1,433,225**

DIRECTORS' REPORT

In 2010, approximately one third of non-executive directors' fees were paid via the issuance of shares to these directors as a direct measure to conserve cash for the Group. Issuance of these shares was subject to the approval by shareholders at the AGM.

In 2010, Dr Rathjen, Dr Harvey, Dr Kremmidiotis and Mr Birrell received $45,600, $30,000, $38,000 and $16,200 respectively of shares in lieu of salary in order to conserve the Group's cash reserves. In 2010, cash salary for Dr Andriambeloson included a cash bonus of $19,157.

Options are granted to directors and other key management personnel under the Bionomics ESOP, details of which are set out in section 4 of this Remuneration Report.

No director or senior management person appointed during the period received a payment as part of their consideration for agreeing to hold the position.

3. Service Agreements

Remuneration and other terms of employment for the Chief Executive Officer and Managing Director and the other key management personnel are formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below:

Dr Deborah Rathjen
Chief Executive Officer and Managing Director

- Term of agreement – five years commencing 15 October 2010.
- Total remuneration package for the year ended 30 June 2011 of $450,000 per annum (excluding options), to be reviewed annually by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to six months' salary. In the event of redundancy, purchase or merger of Bionomics by a third party resulting in a material diminution in duties, an additional six months' salary will be paid.

Dr Emile Andriambeloson
Director of Research Neurofit SAS

- Term of agreement – open commencing 1 March 2005.
- Total remuneration package for the year ended 30 June 2011 of $162,543 per annum (excluding options and cash bonus), to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to three months' salary.

Dr Andrew Harvey
Vice President Drug Discovery

- Term of agreement – open commencing 5 January 2009.
- Total remuneration package for the year ended 30 June 2011 of $170,000 per annum (excluding options), to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to one month's salary.

Dr Gabriel Kremmidiotis
Vice President Research and Development

- Term of agreement – open commencing 1 January 2002.
- Total remuneration package for the year ended 30 June 2011 of $220,000 per annum (excluding options), to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to one month's salary.

Ms Melanie Young
Chief Financial Officer and Company Secretary

- Term of agreement – open commencing 9 May 2011.
- Total remuneration package for the year ended 30 June 2011 of $170,000 per annum to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to three months' salary. In the event of redundancy, purchase or merger of Bionomics by a third party resulting in a material diminution in duties, six months' salary will be paid.

4. Share-based Compensation

Share-based compensation benefits are provided to employees via the Bionomics ESOP and an Employee Share Plan.

The market value of shares issued to employees for no cash consideration under the Employee Share Plan is recognised as an employee benefits expense with a corresponding increase in equity when the employees become unconditionally entitled to the shares.

The Bionomics ESOP was approved by the Board and Shareholders in 2008. Staff eligible to participate in the plan are those who have been a full time or part time employee of the Group for a period of not less than six months or a director of the Company.

Options are granted under the plan for no consideration and vest equally over five years, unless they are bonus options which vest immediately.

Share Options Granted Before 7 November 2002 and / or Vested Before 1 January 2005
No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

Share Options Granted After 7 November 2002 and Vested After 1 January 2005
The fair value of options granted under the Bionomics ESOP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The amounts disclosed as remuneration relating to options are the assessed fair values at grant date of those options allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options affecting remuneration of directors and other key management personnel in this or future reporting periods are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE	VESTING DATE
GRANTED IN PRIOR PERIODS				
June 2002	14 June 2012 10 June 2012	$0.81 $0.81	$0.4078 $0.4390	14 June 2007 10 June 2007
October 2004	19 June 2012 19 June 2013	$0.13 $0.13	$0.1668 $0.1704	19 June 2007 19 June 2008
January 2005	17 February 2013 17 February 2014 17 February 2015	$0.30 $0.30 $0.30	$0.1234 $0.1289 $0.1335	18 February 2008 18 February 2009 18 February 2010
May 2006	7 July 2012 8 July 2013 9 July 2014 10 July 2015 11 July 2016	$0.22 $0.22 $0.22 $0.22 $0.22	$0.1205 $0.1260 $0.1306 $0.1343 $0.1373	7 July 2007 7 July 2008 7 July 2009 7 July 2010 7 July 2011
November 2006	16 November 2012 16 November 2013 16 November 2014 16 November 2015 16 November 2016	$0.30 $0.30 $0.30 $0.30 $0.30	$0.1147 $0.1211 $0.1264 $0.1307 $0.1343	16 November 2007 16 November 2008 16 November 2009 16 November 2010 16 November 2011
January 2007	12 January 2012	$0.2150	$0.1453	12 January 2007
October 2007	4 October 2012	$0.29	$0.2140	4 October 2007
January 2008	11 January 2013	$0.38	$0.1879	11 January 2008
July 2008	1 July 2013	$0.36	$0.1579	1 July 2008

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE	VESTING DATE
GRANTED IN PRIOR PERIODS cont.				
November 2008	5 November 2013	$0.30	$0.0875	5 November 2008
	5 November 2014	$0.30	$0.0963	5 November 2009
	5 November 2015	$0.30	$0.1042	5 November 2010
	5 November 2016	$0.30	$0.1114	5 November 2011
	5 November 2017	$0.30	$0.1178	5 November 2012
	5 November 2013	$0.3716	$0.0737	5 November 2008
	7 August 2014	$0.3716	$0.0828	7 August 2009
	7 August 2015	$0.3716	$0.0915	7 August 2010
	7 August 2016	$0.3716	$0.0993	7 August 2011
January 2009	12 January 2014	$0.2976	$0.0520	12 January 2009
June 2009	15 June 2014	$0.25	$0.1173	15 June 2009
	15 June 2015	$0.25	$0.1250	15 June 2010
	15 June 2016	$0.25	$0.1315	15 June 2011
	15 June 2017	$0.25	$0.1370	15 June 2012
	15 June 2018	$0.25	$0.1415	15 June 2013
	15 June 2019	$0.25	$0.1455	15 June 2014
November 2009	4 November 2015	$0.30	$0.1147	4 November 2010
	4 November 2016	$0.30	$0.1229	4 November 2011
	4 November 2017	$0.30	$0.1301	4 November 2012
	4 November 2018	$0.30	$0.1367	4 November 2013
	4 November 2019	$0.30	$0.1427	4 November 2014
GRANTED IN CURRENT PERIOD				
July 2010	22 July 2015	$0.32	$0.1208	22 July 2010
November 2010	4 November 2015	$0.31	$0.0916	4 November 2010
	4 November 2016	$0.31	$0.1007	4 November 2011
	4 November 2017	$0.31	$0.1088	4 November 2012
	4 November 2018	$0.31	$0.1160	4 November 2013
	4 November 2019	$0.31	$0.1224	4 November 2014

Options granted under the plan carry no dividend or voting rights.

Options Provided as Remuneration under the ESOP in the Current Year

Details of options over ordinary shares in the Company provided as remuneration to each director and each of the other key management personnel are set out below. When exercisable, each option is convertible into one ordinary share of Bionomics.

During the year, options were issued to the following directors and other key management personnel:

NAME	NUMBER GRANTED	DATE GRANTED	TOTAL FAIR VALUE $	NUMBER VESTED	% OF GRANT VESTED	% OF GRANT FORFEITED
Mr Christopher Fullerton[1]	500,000	4 Nov 2010	53,949	100,000	20%	–
Dr Andrew Harvey[2]	45,000	22 Jul 2010	5,436	45,000	100%	–
Dr Gabriel Kremmidiotis[2]	45,000	22 Jul 2010	5,436	45,000	100%	–
Mr Trevor Thiele[1]	500,000	12 Jul 2010	63,377	–	–	–

[1] the options vest after completion of a specified service period.

[2] the options vested immediately.

Options Exercised in the Current Year
During the year, the following directors and key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of Bionomics

NAME	NUMBER OF OPTIONS EXERCISED	NUMBER OF ORDINARY SHARES ISSUED	AMOUNT PAID $	AMOUNT UNPAID $
Dr Deborah Rathjen	437,300	437,300	58,357	–

The following table summarises the value of options granted, exercised or lapsed during the financial year to directors and key management personnel:

NAME	VALUE OPTIONS GRANT AT THE GRANT DATE $	VALUE OF OPTIONS EXERCISED AT THE EXERCISE DATE $	VALUE OF OPTIONS LAPSED AT THE DATE OF LAPSE $
Mr Christopher Fullerton	53,949	–	–
Dr Andrew Harvey	5,436	–	–
Dr Gabriel Kremmidiotis	5,436	–	(6,485)
Dr Deborah Rathjen	–	58,357	–
Mr Trevor Thiele	63,377	–	(63,377)

(i) the value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

(ii) the value of options lapsing during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition has been satisfied.

5. Additional Information

Principles used to determine the nature and amount of remuneration; relationship between remuneration and company performance

Base salary amounts are determined based on market information for similar roles in comparable companies. Other than market information, there is no link between the base salary determination and company performance. The calculation of the key management personnel annual bonus is set against the achievement of specified milestones and targets approved by the Board. Milestones and targets generally relate to achieving developmental milestones for each pipeline project, such as achieving IND registrations by particular dates or project related milestones by particular dates. These milestones are established to support the Company achieving its overall objectives.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2011.

	30 JUNE 2011 $	30 JUNE 2010 $	30 JUNE 2009 $	30 JUNE 2008 $	30 JUNE 2007 $
Revenue	4,071,798	3,848,469	4,296,496	5,256,963	1,412,882
Net Loss before tax	(10,106,903)	(8,214,082)	(6,899,183)	(5,142,954)	(7,898,735)
Net Loss after tax	(9,356,497)	(8,214,082)	(6,862,299)	(4,783,917)	(5,449,798)

DIRECTORS' REPORT

	30 JUNE 2011 CENTS	30 JUNE 2010 CENTS	30 JUNE 2009 CENTS	30 JUNE 2008 CENTS	30 JUNE 2007 CENTS
Share price at start of year	27.0	21.0	34.0	37.0	17.0
Share price at end of year	55.5	27.0	21.0	34.0	37.0
Dividends paid	–	–	–	–	–
Basic earnings per share	(2.9)	(2.7)	(2.8)	(2.1)	(3.0)
Diluted earnings per share	(2.9)	(2.7)	(2.7)	(2.1)	(3.0)

Other Transactions with Directors and Other Key Management Personnel
There were no other transactions with directors or other key management personnel during the financial year.

OTHER INFORMATION

Shares Under Option
Information relating to shares under option is set out in section 4 of the Remuneration Report.

Shares Issued on the Exercise of Options
1,377,500 ordinary shares of Bionomics were issued during the year ended 30 June 2011 on the exercise of options granted under the Bionomics ESOP.

Insurance of Officers
During the financial year, the Company paid a premium to insure the Directors and Officers (D&O) of the Company. Under the terms of this policy the premium paid by the Company is not permitted to be disclosed.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the D&O in their capacity as D&O of the Company, and any other payments arising from liabilities incurred by the D&O in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the D&O or the improper use by the D&O of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit Services
The Company may decide to employ the external auditor on assignments additional to their statutory audit duties where the external auditor's expertise and experience with the Group are important.

Details of the amounts paid to the external auditor for audit and non-audit services provided during the year are set out in note 26 to the financial statements.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for external auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the external auditor, as set out in note 26 to the financial statements, did not compromise the external auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity, impartiality and objectivity of the external auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110, *Code of Ethics for Professional Accountants*, issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the external auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

External Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 40.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Christopher Fullerton

Chairman

Adelaide
17 August 2011

Deborah Rathjen

Chief Executive Officer and Managing Director

Adelaide
17 August 2011

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Bionomics Limited
31 Dalgleish Street
THEBARTON SA 5031

17 August 2011

Dear Board Members

Bionomics Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bionomics Limited.

As lead audit partner for the audit of the financial statements of Bionomics Limited for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu.

DELOITTE TOUCHE TOHMATSU

J J Handel
Partner
Chartered Accountants

ANNUAL FINANCIAL STATEMENTS.

FOR THE YEAR ENDED 30 JUNE 2011

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This financial statement covers both Bionomics Limited ("Bionomics") as an individual entity (note 31) and the Group consisting of Bionomics and its subsidiaries. A description of the nature of the Group's operations and its principal activities is included throughout the Annual Report and the Directors' Report. The financial statement is presented in Australian dollars.

Bionomics is a company limited by shares, incorporated and domiciled in Australia. It is listed on the ASX (ASX code: BNO) and its registered office is 31 Dalgleish Street, Thebarton, SA 5031.

Through the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial statements and other information are available on our website **www.bionomics.com.au.**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	NOTE	2011 $	2010 $
CONTINUING OPERATIONS			
Revenue	**4**	4,071,798	3,848,469
Other income	**4**	64,625	34,618
		4,136,423	**3,883,087**
Expenses	**5**		
Administrative		2,203,258	1,818,544
Financing costs		305,925	247,850
Occupancy		920,906	958,512
Compliance		900,456	477,334
Loss on disposal of assets	**5**	816,121	8,474
Research and development		9,096,660	8,586,455
Loss before tax		**(10,106,903)**	**(8,214,082)**
Income tax benefit	**6**	750,406	–
Loss for the year after income tax from continuing operations		**(9,356,497)**	**(8,214,082)**
Other comprehensive income Exchange differences on translation of foreign operations		(69,203)	(294,756)
Total comprehensive income for the year from continuing operations		**(9,425,700)**	**(8,508,838)**
Loss attributable to: Owners of the Company		**(9,425,700)**	**(8,508,838)**

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	NOTE	2011 CENTS	2010 CENTS
Basic loss per share	**29**	(2.9)	(2.7)
Diluted loss per share	**29**	(2.9)	(2.7)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

AS AT 30 JUNE 2011

	NOTE	2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents	**7**	16,052,230	12,612,244
Trade and other receivables	**8**	8,448,810	847,104
Inventories	**9**	42,646	113,075
Other assets	**10**	342,329	323,640
TOTAL CURRENT ASSETS		**24,886,015**	**13,896,063**
NON-CURRENT ASSETS			
Property, plant and equipment	**12**	302,704	7,907,530
Intangible assets	**13**	9,120,180	9,710,878
TOTAL NON-CURRENT ASSETS		**9,422,884**	**17,618,408**
TOTAL ASSETS		**34,308,899**	**31,514,471**
CURRENT LIABILITIES			
Trade and other payables	**14**	1,876,625	1,937,712
Borrowings	**15**	2,827,622	626,944
Provisions	**16**	728,077	600,642
Other liabilities	**17**	47,774	70,396
TOTAL CURRENT LIABILITIES		**5,480,098**	**3,235,694**
NON-CURRENT LIABILITIES			
Other payables	**14**	50,000	50,000
Borrowings	**15**	7,402	2,692,209
Provisions	**16**	72,219	70,680
TOTAL NON-CURRENT LIABILITIES		**129,621**	**2,812,889**
TOTAL LIABILITIES		**5,609,719**	**6,048,583**
NET ASSETS		**28,699,180**	**25,465,888**
EQUITY			
Issued capital	**18**	87,690,990	75,114,469
Reserves	**19**	694,861	3,187,102
Accumulated losses	**20**	(59,686,671)	(52,835,683)
TOTAL EQUITY		**28,699,180**	**25,465,888**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	ISSUED CAPITAL $	FOREIGN CURRENCY TRANS-LATION RESERVE $	SHARE-BASED PAYMENTS RESERVE $	ASSET RE-VALUATION RESERVE $	ACCUMU-LATED LOSSES $	TOTAL $
Balance at 1 July 2009	59,969,571	(188,315)	1,029,404	2,505,509	(44,621,601)	**18,694,568**
Loss for the period	–	–	–	–	(8,214,082)	**(8,214,082)**
Exchange differences on translation of foreign operations	–	(294,756)	–	–	–	**(294,756)**
Total comprehensive income for the period	**–**	**(294,756)**	**–**	**–**	**(8,214,082)**	**(8,508,838)**
Recognition of share–based payments	–	–	135,260	–	–	**135,260**
Issue of ordinary shares under Employee Share Option Plan	464,898	–	–	–	–	**464,898**
Issue of ordinary shares, net of transaction costs	14,680,000	–	–	–	–	**14,680,000**
Balance at 30 June 2010	**75,114,469**	**(483,071)**	**1,164,664**	**2,505,509**	**(52,835,683)**	**25,465,888**
Balance at 1 July 2010	**75,114,469**	**(483,071)**	**1,164,664**	**2,505,509**	**(52,835,683)**	**25,465,888**
Loss for the period	–	–	–	–	(9,356,497)	**(9,356,497)**
Exchange differences on translation of foreign operations	–	(69,203)	–	–	–	**(69,203)**
Total comprehensive income for the period	**–**	**(69,203)**	**–**	**–**	**(9,356,497)**	**(9,425,700)**
Transfer to accumulated losses	–	–	–	(2,505,509)	2,505,509	**–**
Recognition of share–based payments	–	–	82,471	–	–	**82,471**
Issue of ordinary shares under Employee Share Option Plan	314,733	–	–	–	–	**314,733**
Issue of ordinary shares, net of transaction costs	12,261,788	–	–	–	–	**12,261,788**
Balance at 30 June 2011	**87,690,990**	**(552,274)**	**1,247,135**	**–**	**(59,686,671)**	**28,699,180**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	NOTE	2011 $	2010 $
Cash flows from operating activities			
Grants received		64,625	34,618
Receipts from customers		3,669,691	3,273,698
Payments to suppliers and employees		(12,407,799)	(10,160,091)
		(8,673,483)	**(6,851,775)**
Financing costs		(305,925)	(247,850)
Net cash outflow from operating activities	**27**	**(8,979,408)**	**(7,099,625)**
Cash flows from investing activities			
Interest received		407,748	467,869
Payments for purchases of property, plant & equipment		(75,886)	(42,911)
Payments for purchases of intangibles		-	(2,992)
Net cash inflow from investing activities		**331,862**	**421,966**
Cash flows from financing activities			
Repayment of borrowings		(484,128)	(400,430)
Proceeds from borrowings		-	25,698
Net proceeds from share issues		12,576,521	14,944,030
Net cash inflow from financing activities		**12,092,393**	**14,569,298**
Net increase in cash and cash equivalents		**3,444,847**	**7,891,639**
Cash at the beginning of the financial year		12,612,244	4,757,200
Effect of exchange rate changes on the balances of cash held in foreign currency		(4,861)	(36,595)
Cash and cash equivalents at the end of the year	**7**	**16,052,230**	**12,612,244**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Bionomics Limited and its controlled entities, the Group.

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law. These financial statements comprise the consolidated financial statements of the Group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 17 August 2011.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the following accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

Adoption of New and Revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards and Interpretations Adopted with No Effect on Financial Statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	The application of AASB 2009-5 has not had any material effect on amounts reported in the financial statements.
AASB 2009-8 'Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions'	The application of AASB 2009-8 makes amendments to AASB 2 'Share-based Payment' to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments.
AASB 2009-10 'Amendments to Australian Accounting Standards – Classification of Rights Issues'	The application of AASB 2009-10 makes amendments to AASB 132 'Financial Instruments: Presentation' to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments
AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	The application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Standards and Interpretations in Issue Not Yet Adopted
At the date of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

STANDARD / INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB124 'Related Party Disclosures' (revised December 2009), AASB 2009-12 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	1 January 2011	30 June 2012
AASB 2010-5 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	1 July 2011	30 June 2012
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013

Accounting Policies
The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Bionomics and its subsidiaries as at 30 June 2011.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies where possible. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is obtained and cease to be consolidated from the date on which control ceases.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

(b) Foreign Currency

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is Bionomics' functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Group Companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (Australian dollars) are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- income and expenses for each statement of comprehensive income are translated at the average exchange rate for the period; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Revenue Recognition

Interest revenue is recognised on an accruals basis using the effective interest rate method.

License and service income is recognised in accordance with the underlying agreement. Rental income is recognised on a straight line basis over the term of the lease.

Where a license agreement has a fixed fee in a non-cancellable contract which permits the licensee to exploit those rights freely and the Group has no remaining obligations to perform, the fee is treated as a sale. Where these conditions have not been met, the license fee is amortised over the life of the licensing agreement.

License revenues received in respect of future accounting periods are deferred until the Group has fulfilled its obligations under the terms of the agreement.

Unamortised license fee revenue is recognised in the statement of financial position as deferred income.

Research and development work performed for a fee is recognised based on the stage of completion of the research and development.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

(d) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants relating to cost reimbursement are recognised in the profit or loss in the period when the costs were incurred. Grants relating to asset purchases are recognised as deferred income on the statement of financial position and transferred to the profit or loss evenly over the expected life of those assets.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(i) Tax Consolidation Legislation

Bionomics and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation effective 31 December 2005.

The head entity, Bionomics, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Bionomics also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES TO THE FINANCIAL STATEMENTS

(f) Acquisitions of Assets

The acquisition method of accounting is used for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless the notional price at which they could be placed in the market is a better indicator of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where some future payment that is contingent on certain events happening is a part of the purchase agreement, the additional consideration is brought to account when it is probable that those events will occur.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(g) Impairment of Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade Receivables

All trade debtors are recognised at the fair value of amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The amount of the provision is the difference between the carrying amount and the present value of future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(j) Inventories

Raw materials and stores are stated at the lower of cost and net realisable value.

(k) Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are brought to account at cost less any accumulated depreciation or any recognised impairment losses, where applicable. The directors have taken reasonable steps to ensure that property, plant and equipment are not carried at amounts that are in excess of their recoverable amounts at balance date.

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other comprehensive income. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to profit or loss.

Depreciation on revalued buildings is charged to profit and loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve, net of tax, is transferred directly to retained earnings. Land is not depreciated.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use, on either a prime or diminishing value basis depending on the type of asset.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in profit or loss in the year of disposal.

The depreciation rates for each class of depreciable assets are:

- administrative plant & equipment 20 – 40 %
- scientific plant & equipment 20 – 40 %
- refrigeration plant and equipment 33%
- building 2.50 %
- building fit out 3 – 20 %

(l) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at a fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

(ii) Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(m) Intangible Assets

(i) Intellectual Property

Acquired intellectual property is recognised as an asset at cost and amortised over its useful life. Intellectual property with a finite life is amortised on a straight line basis over that life. Intellectual property with an indefinite useful life is subjected to an annual impairment review. There is currently no intellectual property with an indefinite life.

Current useful life of all existing intellectual property is in the range of five to 15 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

(ii) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net identifiable assets, including any associated deferred tax assets and liabilities, at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

(n) Research and Development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised as an expense when it is incurred.

(o) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Employee Benefits

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave in respect of employees' services up to the reporting date and expected to be settled within 12 months of the reporting date are recognised in liabilities and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken at the rates paid.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date and measured as the present value of expected future payments to be made.

(iii) Superannuation

Contributions are made to employee superannuation funds and are charged as expenses when incurred. These contributions are made to external superannuation funds and are not defined benefits programs. Consequently there is no exposure to market movements on employee superannuation liabilities or entitlements.

(iv) Share-based Payments

Share-based compensation benefits are provided to employees via the Bionomics ESOP and an Employee Share Plan.

The fair value of shares issued to employees for no cash consideration under the Employee Share Plan is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the shares.

The Bionomics ESOP was approved by the Board and shareholders in 2008. Staff eligible to participate in the plan are those who have been a full-time or part-time employee of the Company for a period of not less than six months or a director of the Company.

Options are granted under the plan for no consideration and vest equally over five years, unless they are bonus options which vest immediately.

Share Options Granted Before 7 November 2002 and / or Vested Before 1 January 2005

No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

Share Options Granted After 7 November 2002 and Vested After 1 January 2005

The fair value of options granted under the Bionomics ESOP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The amounts disclosed as remuneration relating to options are the assessed fair values at grant date of those options allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price,

the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(q) Borrowings (other financial liabilities)

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(s) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(t) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are deducted directly from equity.

(u) Earnings / (loss) per Share

(i) Basic Earnings / (loss) per Share

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) after income tax attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings / (loss) per Share

Diluted earnings / (loss) per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to options.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flow arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Estimated Impairment of Goodwill and Intangibles

Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at balance date was $5,147,990 (2010: $5,147,990).

The total carrying amount of intangibles at balance date was $9,120,180 (2010: $9,710,878).

No impairment costs have been recognised in the current or previous financial years.

NOTE 3: SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the nature of work processes performed. The Group's reportable segments under AASB 8 are:

- drug discovery
- drug development
- contract services

Drug discovery is the creation and ongoing testing of compounds to determine the best compound that matches the product profile. Drug development is defined as the ongoing testing including clinical trials of the best compound with a view to commercialisation of the compound. Contract services is the provision of scientific services on a fee for service basis to both external and internal customers. Information regarding these segments is presented below.

(a) Segment Revenues and Results

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	SEGMENT REVENUE YEAR ENDED		SEGMENT RESULT YEAR ENDED	
	30 June 2011 $	**30 June 2010 $**	**30 June 2011 $**	**30 June 2010 $**
Drug discovery	1,712,195	1,162,406	(1,553,818)	(2,012,001)
Drug development	130,399	136,810	(5,111,842)	(4,650,747)
Contract services	4,198,817	2,747,803	323,920	486,117
	6,041,411	**4,047,019**	**(6,341,740)**	**(6,176,631)**
Less: intercompany revenue included in contract services	(2,620,550)	(887,501)	–	–
Investment & other revenue	650,937	688,951	650,937	688,951
	4,071,798	**3,848,469**	**(5,690,803)**	**(5,487,680)**

NOTE 3: SEGMENT INFORMATION (CONT.)

	SEGMENT REVENUE YEAR ENDED		SEGMENT RESULT YEAR ENDED	
	30 June 2011 $	**30 June 2010 $**	**30 June 2011 $**	**30 June 2010 $**
Unallocated financing costs			(109,623)	(90,934)
Central administration costs			(4,306,477)	(2,635,468)
Loss before income tax			**(10,106,903)**	**(8,214,082)**

Revenue reported above for Contract services includes intersegment sales. There were no intersegment sales for the other reportable segments.

Segment profit represents the result for each segment without allocation of central administration costs and investment and other revenue. Financing costs are allocated to segments with a residual amount being unallocated financing costs.

(b) Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

ASSETS	**30 June 2011 $**	**30 June 2010 $**
Drug discovery	1,858,722	2,038,222
Drug development	6,958,258	7,112,259
Contract services	2,197,506	2,089,494
	11,014,486	**11,239,975**
Unallocated assets	23,294,413	20,274,496
Total assets	**34,308,899**	**31,514,471**

LIABILITIES	**30 June 2011 $**	**30 June 2010 $**
Contract services (excluding intercompany liabilities)	550,941	967,564
Unallocated liabilities	5,058,778	5,081,019
Total liabilities	**5,609,719**	**6,048,583**

Assets used jointly by reporting segments are allocated on the basis of employee numbers of the individual reportable segment.

The Board of Directors receive information on liabilities for the Group as a whole as well as liability information for the Contract services segment.

The Board of Directors receive information on non-current assets for the Group as a whole as well as non-current asset information for the Contract services segment. Additions to non-current assets:

	30 June 2011 $	**30 June 2010 $**
Contract services	11,141	20,735
Unallocated	64,745	22,176
	75,886	**42,911**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: SEGMENT INFORMATION (CONT.)

(c) Other Segment Information

The segment result above has been determined after including the following items:

	INTEREST EXPENSE YEAR ENDED		DEPRECIATION & AMORTISATION YEAR ENDED	
	30 June 2011 $	**30 June 2010 $**	**30 June 2011 $**	**30 June 2010 $**
Drug discovery	115,007	85,563	312,969	320,526
Drug development	66,039	61,722	299,893	329,407
Contract services	15,256	9,631	232,996	170,576
Unallocated	109,623	90,934	96,648	133,912
	305,925	**247,850**	**942,506**	**954,421**

(d) Revenue from Major Products and Services

The following is an analysis of the Group's external revenue from its major products and services:

	30 June 2011 $	**30 June 2010 $**
Contract services	1,578,267	1,860,302
Collaboration income	1,495,414	1,115,940
Other	998,117	872,227
	4,071,798	**3,848,469**

(e) Geographical Information

The Group operates in two geographical areas, Australia and France. The Group's external revenue and information about its non-current assets* by geographical segment are detailed below:

	REVENUE FROM EXTERNAL CUSTOMERS YEAR ENDED		NON-CURRENT ASSETS YEAR ENDED	
	30 June 2011 $	**30 June 2010 $**	**30 June 2011 $**	**30 June 2010 $**
Australia	2,493,531	1,988,167	8,437,682	16,354,786
France	1,578,267	1,860,302	985,202	1,263,622
	4,071,798	**3,848,469**	**9,422,884**	**17,618,408**

* Non-current assets excluding financial instruments and deferred tax assets.

Included in revenues for Drug discovery are revenues of $1,495,414 (2010: $1,115,940) from one party.

NOTE 4: REVENUE AND OTHER INCOME

REVENUE	2011 $	2010 $
Revenue from rendering of services	1,560,868	1,632,078
Royalties	130,399	136,810
Collaboration income	1,495,414	1,115,940
Interest received / receivable on bank deposits	477,516	487,386
Rent received or receivable	280,704	230,965
Other revenue	126,897	245,290
	4,071,798	**3,848,469**

OTHER INCOME		
Government EMDG grant	45,574	–
Foreign Government grant	19,051	34,618
	64,625	**34,618**

There are no unfulfilled conditions or other contingencies attaching to these grants.

NOTE 5: EXPENSES

Loss before income tax benefit includes the following specific expenses:

Financing costs:	2011 $	2010 $
– Interest paid / payable on bank and other loans	301,775	241,319
– Interest obligations under finance leases	4,150	6,531
	305,925	**247,850**

Depreciation:

– Administrative plant and equipment	38,025	39,622
– Scientific plant and equipment	72,323	81,083
– Building fitouts	121,831	158,085
– Building	168,722	201,870
	400,901	**480,660**

Amortisation of non-current assets:

– Intellectual property	541,605	473,761

Rental expense on operating leases:

– Minimum lease payments	227,134	195,552

Employment benefit expenses of:

– Wages and salaries	3,261,810	2,768,043
– Superannuation	435,467	424,640
– Share-based payments	82,471	336,128
	3,779,748	**3,528,811**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: EXPENSES (CONT.) Loss before income tax benefit includes the following specific expenses:	**2011 $**	**2010 $**
Foreign currency loss / (gain)	413,125	(11,492)
Loss on disposal of assets		
– Plant and equipment	16,539	8,474
– Land and building	799,582	–
	816,121	**8,474**

NOTE 6: INCOME TAXES

(a) Income tax recognised in profit or loss	**2011 $**	**2010 $**
Current tax		
Current tax benefit in respect of the current year	(750,406)	–
Deferred tax		
Deferred tax recognised in current year	–	–
	(750,406)	**–**

(b) Reconciliation to accounting loss

Loss from continuing operations	**(10,106,903)**	**(8,214,082)**
Tax at the Australian tax rate of 30% (2010: 30%)	(3,032,071)	(2,464,225)
Tax effect of non-deductible / non-assessable amounts:		
– Amortisation of intangibles	101,893	101,893
– Foreign exchange reversed on consolidation	(17,826)	(103,282)
– Elimination of accrued income on consolidation	–	(28,325)
– Exempt income from government funding	–	(56,076)
– Entertainment	1,373	848
– Share-based payments	24,741	40,579
– Research and development expenditure	(711,039)	(394,891)
– Effect of unused tax losses and tax offsets not recognised as deferred tax assets	3,632,929	2,903,479
– Tax benefit of research and development credit in France	(750,406)	–
	(750,406)	**–**

NOTE 6: INCOME TAXES (CONT.)

(c) Deferred tax balances	OPENING BALANCE	CHARGED TO INCOME	CHARGED TO EQUITY	OTHER COMPREHENSIVE INCOME	CLOSING BALANCE
2011					
Loans and receivables	179,664	79,193	–	–	258,857
Prepayments / accrued income	(7,871)	(20,930)	–	–	(28,801)
PP & E	(1,105,375)	1,077,162	–	–	(28,213)
Share issue expenses	303,415	(80,678)	–	–	222,737
Intangible patents and trademarks	58,933	197,560	–	–	256,493
Other intangibles	218,383	–	–	–	218,383
Accrued expenses	12,450	48,137	–	–	60,587
Employee entitlements	172,264	32,409	–	–	204,673
	(168,137)	**1,332,853**	**–**	**–**	**1,164,716**
Unused tax losses					
Revenue	18,873,843	2,623,130	–	–	21,496,973
Withholding tax	213,015	–	–	–	213,015
	19,086,858	**2,623,130**	**–**	**–**	**21,709,988**
Not recognised in current year	18,918,721	3,955,983	–	–	22,874,704
Net balance	**–**	**–**	**–**	**–**	**–**

2010					
Loans and receivables	196,974	(17,310)	–	–	179,664
Prepayments / accrued income	(2,218)	(5,653)	–	–	(7,871)
PP & E	(1,105,375)	–	–	–	(1,105,375)
Share issue expenses	288,092	–	15,323	–	303,415
Intangible patents and trademarks	58,933	–	–	–	58,933
Other intangibles	218,383	–	–	–	218,383
Accrued expenses	12,147	303	–	–	12,450
Employee entitlements	161,069	11,195	–	–	172,264
	(171,995)	**(11,465)**	**15,323**	**–**	**(168,137)**
Unused tax losses					
Revenue	16,336,226	2,537,617	–	–	18,873,843
Withholding tax	213,015	–	–	–	213,015
	16,549,241	**2,537,617**	**–**	**–**	**19,086,858**
Not recognised in current year	16,377,246	2,526,152	15,323	–	18,918,721
Net balance	**–**	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: INCOME TAXES (CONT.)

(d) Unrecognised temporary differences (including tax losses)

The following deferred tax assets have not been brought to account as assets:

	2011 $	2011 $
Unused revenue tax losses (no set expiry period)	21,496,973	18,705,706
Deductible temporary differences (no set expiry period)	1,164,716	–
Unused foreign withholding tax credits (expire July 2013)	213,015	213,015
	22,874,704	**18,918,721**

(e) Tax consolidation

Relevance of tax consolidation to the Group

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Bionomics is the head entity in the tax-consolidated group. Tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

NOTE 7: CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Current Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows		
Cash at bank and on hand	15,058,319	2,695,380
Deposits at call	993,911	9,916,864
	16,052,230	**12,612,244**

A restricted deposit at call is held as security over a commercial bill line of $550,000 (see note 15 iii) and is not available for use.

NOTE 8: TRADE AND OTHER RECEIVABLES

	2011 $	2010 $
Current		
Trade receivables	473,289	562,226
Allowance for doubtful debts	-	(3,039)
	473,289	**559,187**
Other receivables	830,783	287,917
Sale of building receivable (i)	7,144,738	-
	8,448,810	**847,104**

(i) The sale of building proceeds were received at settlement on 13 July 2011.

NOTE 8: TRADE AND OTHER RECEIVABLES (CONT.)

	2011 $	2010 $
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	3,039	–
Impairment losses recognised on receivables	–	3,039
Amounts written off during the year as uncollectible	(3,039)	–
Balance at the end of the year	**–**	**3,039**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no credit provision required at 30 June 2011.

NOTE 9: INVENTORIES

	2011 $	2010 $
Current		
Raw materials and stores – at cost	**42,646**	**113,075**

NOTE 10: OTHER ASSETS

	2011 $	2010 $
Current		
Prepayments	246,325	297,404
Accrued interest and grants receivable	96,004	26,236
	342,329	**323,640**

NOTE 11: SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

			PERCENTAGE OWNED (%)	
ENTITY	**PRINCIPAL ACTIVITY**	**COUNTRY OF INCORPORATION**	**2011**	**2010**
Head entity				
Bionomics Limited	Research & Development	Australia	N/A	N/A
Subsidiaries of Bionomics Limited:				
Neurofit SAS	Contract Research Organisation	France	100	100
Iliad Chemicals Pty Limited	Asset owner	Australia	100	100
Bionomics Inc	Non-trading	United States	100	100

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	ADMINISTRATIVE PLANT & EQUIPMENT $	SCIENTIFIC PLANT & EQUIPMENT $	BUILDING FITOUTS $	FREEHOLD LAND & BUILDING AT FAIR VALUE $	REFRIGERATION PLANT & EQUIPMENT $	TOTAL $
Gross carrying amount at 1 July 2009	445,443	2,159,437	2,244,258	6,690,592	87,500	11,627,230
Additions	39,282	3,629	–	–	–	42,911
Disposals	(36,310)	(418,640)	(7,755)	–	–	(462,705)
Revaluations	–	–	–	(201,870)	–	(201,870)
Foreign currency exchange differences	(29,988)	(18,819)	–	–	–	(48,807)
Gross carrying amount at 1 July 2010	**418,427**	**1,725,607**	**2,236,503**	**6,488,722**	**87,500**	**10,956,759**
Additions	21,956	42,745	11,185	–	–	75,886
Disposals	(26,145)	(51,355)	(2,247,688)	(6,488,722)	–	(8,813,910)
Foreign currency exchange differences	763	(11,688)	–	–	–	(10,925)
Gross carrying amount at 30 June 2011	**415,001**	**1,705,309**	**–**	**–**	**87,500**	**2,207,810**
Accumulated depreciation amount at 1 July 2009	(306,736)	(1,824,431)	(1,029,383)	–	(87,500)	(3,248,050)
Disposals	35,108	411,570	7,490	–	–	454,168
Revaluations	–	–	–	201,870	–	201,870
Foreign currency exchange differences	16,937	6,506	–	–	–	23,443
Depreciation (note 5)	(39,622)	(81,083)	(158,085)	(201,870)	–	(480,660)
Accumulated depreciation amount at 1 July 2010	**(294,313)**	**(1,487,438)**	**(1,179,978)**	**–**	**(87,500)**	**(3,049,229)**
Disposals	24,492	45,147	1,301,809	168,722	–	1,540,170
Foreign currency exchange differences	(4,041)	8,895	–	–	–	4,854
Depreciation (note 5)	(38,025)	(72,323)	(121,831)	(168,722)	–	(400,901)
Accumulated depreciation amount at 30 June 2011	**(311,887)**	**(1,505,719)**	**–**	**–**	**(87,500)**	**(1,905,106)**
Net carrying amounts 30 June 2010	**124,114**	**238,169**	**1,056,525**	**6,488,722**	**–**	**7,907,530**
Net carrying amounts 30 June 2011	**103,114**	**199,590**	**–**	**–**	**–**	**302,704**

Effective from the adoption of AIFRS, the Group adopted the fair value basis for land and buildings as outlined in note 1(k).

There was no depreciation during the period that was capitalised as part of the cost of other assets.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONT.)

An independent valuation of the Group's land and buildings was performed by Savills (SA) Pty Ltd to determine the fair value of the land and buildings. The valuation, which was prepared in accordance with Australian Property Institute's current valuation standard, was determined using the capitalisation of market net income approach. The effective date of the valuation was 30 June 2010. The land and buildings were subsequently sold on 29 April 2011 with settlement occurring on 13 July 2011.

Had the Group's land and buildings been measured on an historical cost basis, their carrying amount would have been as follows:

	2011 $	2010 $
Land	–	125,000
Buildings	–	3,145,145
	–	**3,270,145**

Non-current assets pledged as security
Refer to note 15 for information on non-current assets pledged as security by the Company.

NOTE 13: INTANGIBLE ASSETS

	GOODWILL $	INTELLECTUAL PROPERTY $	TOTAL $
Gross carrying amount at 1 July 2009	5,147,990	7,282,798	12,430,788
Additions	–	2,992	2,992
Foreign currency exchange differences	–	(395,498)	(395,498)
Gross carrying amount at 1 July 2010	**5,147,990**	**6,890,292**	**12,038,282**
Foreign currency exchange differences	–	(83,660)	(83,660)
Gross carrying amount at 30 June 2011	**5,147,990**	**6,806,632**	**11,954,622**
Accumulated amortisation amount at 1 July 2009	–	(1,972,787)	(1,972,787)
Foreign currency exchange differences	–	119,144	119,144
Amortisation (note 5)	–	(473,761)	(473,761)
Accumulated amortisation amount at 1 July 2010	**–**	**(2,327,404)**	**(2,327,404)**
Foreign currency exchange differences	–	34,567	34,567
Amortisation (note 5)	–	(541,605)	(541,605)
Accumulated amortisation amount at 30 June 2011	**–**	**(2,834,442)**	**(2,834,442)**
Net carrying amounts 30 June 2010	**5,147,990**	**4,562,888**	**9,710,878**
Net carrying amounts 30 June 2011	**5,147,990**	**3,972,190**	**9,120,180**

All intangible assets are held in the consolidated entity.

(a) Intellectual Property

The intellectual property includes the company's Multicore® technology, its BNC105 compound and its Kv1.3 compound with carrying amounts ranging from $0.8m to $1.4m. Each item is carried at its fair value as at its date of acquisition, less accumulated amortisation charges. The remaining amortisation periods for each item is between five and ten years.

(b) Impairment Tests

Management tests annually whether goodwill or indefinite life intangibles have suffered any impairment, in accordance with the accounting policy stated in note 1(m)(ii). Impairment testing is performed on each of the cash generating units identified in note 3.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: INTANGIBLE ASSETS (CONT.)

Determining whether goodwill or indefinite life intangibles are impaired requires an estimation of the value in use of the cash generating units to which goodwill or indefinite life intangible have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. These discount rates range between 15% for certain cash flows and 60% for less certain cash flows.

Allocation of Goodwill to CGU's

The carrying amount of goodwill was allocated to the following CGU's:

	2011 $	2010 $
Drug discovery	–	–
Drug development	5,147,990	5,147,990
Contract services	–	–
	5,147,990	**5,147,990**

Drug Discovery

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on a recent contract agreement for drug compounds within the cash generating unit covering a ten year period with an appropriate terminal value, and a discount rate ranging from 15% to 60% per annum (2010: 15% to 60% per annum). The ten year period is based on industry comparables taking into account the lifecycle of the development of compounds.

Management believes that application of discounted cash flows of such a contract for one drug compound is reasonable to be applied to other compounds within the CGU at their respective development phases.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

No growth rates have been included in the forecast.

Drug Development

The recoverable amount of this CGU is also determined based on a value in use calculation which uses cash flow projections based on the same contract agreement for drug compounds within the segment covering a ten year period with an appropriate terminal value, and a discount rate ranging from 15% to 60% per annum (2010: 15% to 60% per annum). The ten year period is based on industry comparables taking into account the lifecycle of the development of components.

Management believes that application of discounted cash flows of such a contract for one drug compound is reasonable to be applied to other compounds within the CGU at their respective development phases.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

No growth rates have been included in the forecast.

Contract Services

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections prepared by management over a five year period with an appropriate terminal value using a discount rate of 15%.

Annual growth rates of 2.5% per annum have been assumed in determining the cash flow projections.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

NOTE 14: TRADE AND OTHER PAYABLES

	2011 $	2010 $
Current		
Trade payables	1,357,489	1,384,482
Accrued expenses	519,136	553,230
	1,876,625	**1,937,712**
Non-current		
Other payables	**50,000**	**50,000**

The average credit period on purchases of goods is 45 days. No interest is paid on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 15: BORROWINGS

	2011 $	2010 $
Secured – at amortised cost		
Finance lease liabilities (i)	20,836	67,970
Building loan agreement (ii)	2,264,188	2,700,620
Bank loan (iii)	550,000	550,563
	2,835,024	**3,319,153**
Disclosed in the financial statements as:		
Current liabilities	2,827,622	626,944
Non-current liabilities	7,402	2,692,209
	2,835,024	**3,319,153**

(i) the three year lease line is secured by the leased scientific equipment (refer note 12) and has an average interest rate of 9.60% per annum (2010: 8.51% per annum).

(ii) the ten year building loan agreement with Land Management Corporation was secured by the land and building (refer note 12) and had interest charged on a quarterly basis at a fixed rate of 6.97% per annum until final settlement on the sale and leaseback of the Thebarton building occurred on 13 July 2011.

(iii) the rolling commercial bill line is secured by a restricted deposit at call.

The unused facilities available at 30 June 2011 of the Group's bank overdraft is $54,333 (2010: $56,988).
There is no unused facility in relation to the building loan agreement or the commercial bill line.

Interest rate risk
The Group's exposure to interest rates and the effective weighted average interest rate by maturity period is set out in note 22.

NOTE 16: PROVISIONS

	2011 $	2010 $
Current		
Employee benefits	**728,077**	**600,642**
Non-current		
Employee benefits	**72,219**	**70,680**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: OTHER LIABILITIES

	2011 $	2010 $
Current		
Unearned income	47,774	70,396
	47,774	**70,396**

NOTE 18: ISSUED CAPITAL

(a) Issued and paid-up capital

	2011 SHARES	2010 SHARES
Ordinary shares – fully paid	344,731,779	318,354,279

Movements in ordinary shares of the Company during the past two years were as follows:

DATE	DETAILS	NUMBER OF SHARES	ISSUE PRICE	$
1 July 2009	**Opening balance**	**253,799,591**		**59,969,571**
	Share issue – directors' fees in lieu of cash	491,228	$0.2375	116,667
	Share issue – management salary in lieu of cash	354,526	$0.2375	84,200
	Share issue – placements	53,333,332	$0.24	12,800,000
	Share issue – share purchase plan	9,166,602	$0.24	2,199,984
	Share issue – ESOP option exercise	75,000	$0.21	15,750
	Share issue – ESOP option exercise	100,000	$0.11	11,000
	Share issue – ESOP option exercise	380,000	$0.24	91,200
	Share issue – ESOP option exercise	130,000	$0.27	35,100
	Share issue – ESOP option exercise	96,000	$0.16	15,360
	Share issue – ESOP option exercise	78,000	$0.29	22,620
	Share issue – ESOP option exercise	300,000	$0.20	60,000
	Share issue – unlisted options	50,000	$0.26	13,000
	Less capital raising costs – share placements	–	–	(319,983)
30 June 2010	**Closing balance**	**318,354,279**	–	**75,114,469**
	Share issue – ESOP option exercise	105,000	$0.24	25,200
	Share issue – ESOP option exercise	200,000	$0.30	60,000
	Share issue – ESOP option exercise	300,000	$0.24	72,000
	Share issue – ESOP option exercise	50,000	$0.34	17,000
	Share issue – ESOP option exercise	15,000	$0.2976	4,464
	Share issue – ESOP option exercise	7,200	$0.36	2,592
	Share issue – ESOP option exercise	5,000	$0.22	1,100
	Share issue – placements	25,000,000	$0.57	14,250,000
	Less cost of placements	–	–	(1,988,212)
	Share issue – ESOP option exercise	40,000	$0.22	8,800
	Share issue – ESOP option exercise	18,000	$0.29	5,220
	Share issue – ESOP option exercise	97,300	$0.1455	14,157
	Share issue – ESOP option exercise	340,000	$0.13	44,200
	Share issue – ESOP option exercise	200,000	$0.30	60,000
30 June 2011	**Closing balance**	**344,731,779**		**87,690,990**

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

NOTE 18: ISSUED CAPITAL (CONT.)

(b) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Share Options

When exercised, each option is convertible into one ordinary share. The exercise price is based on the weighted average price at which the Company's shares traded on the ASX during the seven trading days immediately before the options are granted.

(i) The Bionomics ESOP

The terms and conditions of the Bionomics ESOP are summarised in note 1(p)(iv).
The options listed below are outstanding at reporting date.

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Jun-02	Jun-12	$0.81	293,665	$0.41
Feb-03	Feb-12	$0.43	10,000	$0.18
	Feb-13	$0.43	10,000	$0.19
Jan-04	Jan-12	$0.30	5,000	$0.20
	Jan-13	$0.30	5,000	$0.21
	Jan-14	$0.30	5,000	$0.21
Mar-04	Mar-12	$0.37	7,000	$0.15
	Mar-13	$0.37	7,000	$0.15
	Mar-14	$0.37	7,000	$0.16
	Mar-12	$0.38	5,000	$0.15
	Mar-13	$0.38	5,000	$0.15
	Mar-14	$0.38	5,000	$0.16
Sept-04	Nov-11	$0.24	120,000	$0.13
	Nov-12	$0.24	200,000	$0.13
	Nov-13	$0.24	200,000	$0.14
Oct-04	Jun-12	$0.13	340,000	$0.17
	Jun-13	$0.13	340,000	$0.17
Jan-05	Feb-13	$0.30	200,000	$0.12
	Feb-14	$0.30	200,000	$0.13
	Feb-15	$0.30	200,000	$0.13
Jan-06	Jan-12	$0.24	50,000	$0.13
	Jan-13	$0.24	50,000	$0.14
	Jan-14	$0.24	50,000	$0.14
	Jan-15	$0.24	50,000	$0.15
	Jan-16	$0.24	50,000	$0.15
May-06	Jul-12	$0.22	80,000	$0.12
	Jul-13	$0.22	80,000	$0.13
	Jul-14	$0.22	100,000	$0.13
	Jul-15	$0.22	100,000	$0.13
	Jul-16	$0.22	100,000	$0.14
Nov-06	Nov-12	$0.30	100,000	$0.11
	Nov-13	$0.30	100,000	$0.12
	Nov-14	$0.30	100,000	$0.13
	Nov-15	$0.30	100,000	$0.13
	Nov-16	$0.30	100,000	$0.13

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: ISSUED CAPITAL (CONT.)

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Jan-07	Jan-12	$0.22	150,000	$0.15
Oct-07	Oct-12	$0.29	171,250	$0.21
	Oct-13	$0.29	5,000	$0.21
	Oct-14	$0.29	5,000	$0.23
	Oct-15	$0.29	5,000	$0.23
	Oct-16	$0.29	5,000	$0.24
	Oct-17	$0.29	5,000	$0.25
Jan-08	Jan-13	$0.38	130,000	$0.19
	Jan-14	$0.38	4,000	$0.19
	Jan-15	$0.38	4,000	$0.20
	Jan-16	$0.38	4,000	$0.21
	Jan-17	$0.38	4,000	$0.22
	Jan-18	$0.38	4,000	$0.23
Jul-08	Jul-13	$0.36	105,000	$0.16
	Jul-14	$0.36	22,000	$0.17
	Jul-15	$0.36	22,000	$0.18
	Jul-16	$0.36	22,000	$0.19
	Jul-17	$0.36	22,000	$0.19
	Jul-18	$0.36	22,000	$0.20
Sep-08	Sep-14	$0.34	4,000	$0.17
	Sep-15	$0.34	54,000	$0.18
	Sep-16	$0.34	54,000	$0.19
	Sep-17	$0.34	54,000	$0.19
	Sep-18	$0.34	54,000	$0.20
Nov-08	Nov-13	$0.30	100,000	$0.09
	Nov-14	$0.30	100,000	$0.10
	Nov-15	$0.30	100,000	$0.10
	Nov-16	$0.30	100,000	$0.11
	Nov-17	$0.30	100,000	$0.12
	Nov-13	$0.37	95,000	$0.02
	Aug-14	$0.37	340,000	$0.08
	Aug-15	$0.37	330,000	$0.09
	Aug-16	$0.37	330,000	$0.10
	Nov-14	$0.28	20,000	$0.06
	Nov-15	$0.28	20,000	$0.05
	Nov-16	$0.28	20,000	$0.06
	Nov-17	$0.28	20,000	$0.06
	Nov-18	$0.28	20,000	$0.07
Jan-09	Jan-14	$0.30	180,000	$0.01
Mar-09	Mar-15	$0.29	12,120	$0.06
	Mar-16	$0.29	12,120	$0.07
	Mar-17	$0.29	12,120	$0.07
	Mar-18	$0.29	12,120	$0.08
	Mar-19	$0.29	12,120	$0.08

NOTE 18: ISSUED CAPITAL (CONT.)

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Jun-09	Jun-14	$0.25	115,200	$0.06
	Jun-15	$0.25	54,000	$0.13
	Jun-16	$0.25	54,000	$0.13
	Jun-17	$0.25	54,000	$0.14
	Jun-18	$0.25	54,000	$0.14
	Jun-19	$0.25	54,000	$0.15
Nov-09	Nov-15	$0.30	100,000	$0.05
	Nov-16	$0.30	100,000	$0.07
	Nov-17	$0.30	100,000	$0.08
	Nov-18	$0.30	100,000	$0.09
	Nov-19	$0.30	100,000	$0.10
Jul-10	July-15	$0.32	90,000	$0.05
	Jul-16	$0.32	10,000	$0.04
	Jul-17	$0.32	10,000	$0.06
	Jul-18	$0.32	10,000	$0.08
	Jul-19	$0.32	10,000	$0.09
	Jul-20	$0.32	10,000	$0.10
Nov-10	Nov-15	$0.31	100,000	$0.03
	Nov-15	$0.31	100,000	$0.03
	Nov-17	$0.31	100,000	$0.05
	Nov-18	$0.31	100,000	$0.07
	Nov-19	$0.31	100,000	$0.08
			7,766,715	

Reconciliation of ESOP:

	2011		2010	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance at beginning of financial year	8,900,682	$0.31	10,802,349	$0.35
Granted during the financial year	1,140,000	$0.32	500,000	$0.30
Forfeited during the financial year	(510,800)	$0.32	(200,000)	$0.20
Exercised during the financial year	(1,372,500)	$0.23	(1,159,000)	$0.22
Expired during the financial year	(390,667)	$0.68	(1,042,667)	$1.16
Closing balance at 30 June	**7,766,715**	**$0.31**	**8,900,682**	**$0.31**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: ISSUED CAPITAL (CONT.)

Reconciliation of other unlisted options:

	2011		2010	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance at beginning of financial year	5,000	$0.22	355,000	$1.22
Exercised during the financial year	(5,000)	$0.22	(50,000)	$0.26
Expired during the financial year	–	–	(300,000)	$1.40
Closing balance at 30 June	**–**	**–**	**5,000**	**$0.22**

ESOP options exercised during the financial year:

SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE
1-Sep-04	100,000	Nov-10	$0.260
	100,000	Apr-11	$0.500
	100,000	Apr-11	$0.500
	100,000	Apr-11	$0.500
18-Oct-04	340,000	Jun-11	$0.640
21-Jan-05	200,000	Feb-11	$0.380
	200,000	Jun-11	$0.640
13-Jan-06	5,000	Jan-11	$0.325
1-May-06	5,000	May-11	$0.720
	20,000	May-11	$0.690
	20,000	May-11	$0.690
16-Nov-06	97,300	Jun-11	$0.640
4-Oct-07	18,000	May-11	$0.690
1-Jul-08	3,600	Apr-11	$0.500
	3,600	Apr-11	$0.500
26-Sep-08	50,000	Apr-11	$0.500
12-Jan-09	10,000	Apr-11	$0.500
	5,000	Apr-11	$0.500
	1,377,500		

	2011 NUMBER	2010 NUMBER
Unlisted options vested and exercisable at the reporting date	**5,682,355**	**6,305,802**

(iii) Weighted averages

The weighted average remaining contractual life of any unlisted share options outstanding at the end of the year is 5.5 years (2010: 3.8 years).

The assessed fair value at grant date of options granted during the year ended 30 June 2011 is outlined in the Remuneration Report on page 31. The share price at grant date of these options ranged between $0.26 and $0.31 (2010: $0.32). The expected average price volatility of the Company shares was 57.02% (2010: 44.8%). Expected dividend yield was 0% (2010: 0%) and the average risk free interest rate used was 5.18% (2010: 4.37%). Additional details on options granted in prior years are available in those year's Annual Reports.

NOTE 19: RESERVES

(a) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(b). The reserve is recognised in profit or loss when the investment is disposed of.

	2011 $	2010 $
Opening balance	(483,071)	(188,315)
Adjustment arising from the translation of foreign controlled entity's financial statements	(69,203)	(294,756)
Closing balance	**(552,274)**	**(483,071)**

(b) Share-based Payments Reserve

The share-based payments reserve is used to recognise the fair value of options issued to the extent that they have vested.

	2011 $	2010 $
Opening balance	1,164,664	1,029,404
Option expense	82,471	135,260
Closing balance	**1,247,135**	**1,164,664**

(c) Asset Revaluation Reserve

The asset revaluation reserve is used to recognise the fair value of land and buildings as per note 1(k).

	2011 $	2010 $
Opening balance	2,505,509	2,505,509
Sale of revalued building transferred to accumulated losses	(3,579,298)	–
Deferred tax attributable to sale of revalued building transferred to accumulated losses	1,073,789	–
Net movement for the year	(2,505,509)	–
Closing balance	**–**	**2,505,509**
Total reserves	**694,861**	**3,187,102**

NOTE 20: ACCUMULATED LOSSES

	2011 $	2010 $
Balance at the beginning of the year	(52,835,683)	(44,621,601)
Net loss for the year	(9,356,497)	(8,214,082)
Transfer from asset revaluation reserve	2,505,509	–
Balance at the end of the year	**(59,686,671)**	**(52,835,683)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: CONTINGENCIES

Service Commitments

Pursuant to the terms and agreements entered into by the Company with both the Women's and Children's Hospital (WCH) and the University of Melbourne (U of M) to acquire the license for the epilepsy project from the WCH and the U of M and the breast cancer project from the WCH, the Company is liable to make further payments to the WCH and the U of M upon the achievement of certain conditions.

Pursuant to the terms and agreement entered into by the Company with Medvet Science Pty Ltd (Medvet), for the angiogenesis project, the Company is liable to make further payments to Medvet upon the achievement of certain conditions.

NOTE 22: FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns whilst maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2010. The capital structure of the Group consists of debt, which includes borrowings (note 15), cash and cash equivalents (note 7) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings (disclosed in notes 18, 19 and 20 respectively).

The Group has global operations, primarily conducted through subsidiary companies established in the markets in which the Group trades. None of the Group's entities is subject to externally imposed capital requirements.

The Group's policy is to fund the research and development activities and operations through the issue of equity and the commercialisation of Intellectual Property assets. Minor borrowings for operational assets are utilised, as appropriate.

Categories of financial instruments	2011 $	2010 $
Financial assets		
Loans and receivables	8,448,810	847,104
Cash and cash equivalents	16,052,230	12,612,244
	24,501,040	**13,459,348**
Financial liabilities at amortised costs	**4,504,773**	**5,067,090**
Reconciliation to total assets		
Financial assets (as above)	24,501,040	13,459,348
Non-financial assets	9,807,859	18,055,123
	34,308,899	**31,514,471**
Reconciliation to total liabilities		
Financial liabilities (as above)	4,504,773	5,067,090
Non-financial liabilities	1,104,946	981,493
	5,609,719	**6,048,583**

NOTE 22: FINANCIAL INSTRUMENTS (CONT.)

(b) Financial Risk Management Objectives

The Board, through the Audit and Risk Management (ARM) Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, Company policies are designed to ensure significant strategic, operational, legal, reputational and financial risks are identified, assessed, and effectively monitored and managed in a manner sufficient for a company of Bionomics' size and stage of development to enable achievement of the Company's business strategy and objectives.

The Company's risk management policies are managed by the key management personnel and are reviewed by the ARM Committee according to a timetable of assessment and review proposed by that Committee and approved by the Board.

(c) Market Risk

The Group's activities do not expose it to significant financial risks of changes in foreign currency exchange rates or interest rates. The Group uses derivative financial instruments to manage its exposure to foreign currency risk including:

- forward foreign exchange contracts and currency swaps to hedge the exchange rate risk arising on the payments for clinical trials in non-Australian dollar denominated contracts.

The Group measures market risk exposures using sensitivity analysis. There has been no material change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Unless approved by the Chief Executive Office and Managing Director, interest rate derivatives are not entered into.

(d) Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with established policies. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

	LIABILITIES		ASSETS	
	2011 $	2010 $	2011 $	2010 $
Euro	557,992	975,236	2,198,595	2,089,494
USD	242,250	181,065	398,013	1,487,930

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to Euros and US dollars.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit or equity with the balances being the opposite.

	EURO IMPACT		USD IMPACT	
	2011 $	2010 $	2011 $	2010 $
Profit or loss	542	697 **(i)**	(14,160)	(118,806 **(ii)**
Equity	(149,688)	(101,994) **(iii)**	–	–

(i) this is mainly attributable to the exposure outstanding on Euro payables and forward contracts in the Group at the end of the reporting period.

(ii) this is mainly attributable to the exposure to outstanding USD net assets and forward contracts at the end of the reporting period.

(iii) this is as a result of the changes in fair value of the net investment in a subsidiary denominated in Euros, reflected in the foreign currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: FINANCIAL INSTRUMENTS (CONT.)

The Group's sensitivity to foreign currency has decreased during the current year mainly due to the mix of net assets held in non-Australian dollar denominated currencies.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. Requirements change during the financial year depending on research and development activities being undertaken and contract research service financial performance.

Forward Foreign Exchange Contracts

It is the policy of the Group to enter into forward foreign currency contracts to cover specific foreign currency payments and receipts when there is a legal commitment to pay or receive foreign currency or the CEO has a high degree of confidence (>90%) that a foreign currency exposure will arise.

Under the Group's Treasury Policy, the Chief Financial Officer (CFO) will manage the foreign exchange transaction risk adopting the following guidelines:

- generally hedge foreign exchange exposure identified above by entering into a forward currency contract.
- the duration of any forward currency contract(s) will approximate the period in which the net currency exposure arise.
- recognising the uncertainty that exists in the projecting forward foreign currency flows, a maximum net foreign currency exposure position may be held at any point in time.

Due to the long-term nature of the net investment in the Euro denominated wholly owned subsidiary, the investment will not be hedged into Australian dollars, with the result that the Australian dollar value of the investment will fluctuate with the market rate through the foreign currency translation reserve.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

	AVERAGE RATE		FOREIGN CURRENCY		CONTRACT VALUE		FAIR VALUE	
	2011	2010	2011 FC	2010 FC	2011 $	2010 $	2011 $	2010 $
Cash flow hedges								
EURO (Sell)								
3 – 6 months	0.7295	–	(400,000)	–	(548,321)	–	1,089	–
US (Buy)								
Less than 3 months	0.9633	–	1,500,000	–	1,557,190	–	(157,430)	–
3 – 6 months	1.0336	–	500,000	–	483,746	–	(7,143)	–
							(163,484)	**–**

The table above provides an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel.

The Group has entered into contracts to conduct clinical trials in US dollars over a period of time and has hedged US dollars to cover these commitments. In addition, the Group will receive a Euro cash receipt and has hedged this refund.

(e) Interest Rate Risk Management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and variable interest rates and lend funds at variable rates. The Group does not use interest rate swap contracts or forward interest rate contracts.

NOTE 22: FINANCIAL INSTRUMENTS (CONT.)

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If interest rates had been 50 basis points higher / (lower) and all other variables were held constant, the Group's:

- profit for the year ended 30 June 2011 would increase / (decrease) by $56,276 (2010: increase / (decrease) by $25,891). This is mainly attributable to the Group's exposure to interest rates on its variable rate deposits.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in cash and cash equivalent balances and reduction in debt.

(f) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

(g) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for management of the Group's short, medium and long term funding. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Included in note 15 is a listing of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk.

(h) Liquidity and Interest Rate Risk

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

		INTEREST RATE MATURITY					
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 MONTH $	1–3 MONTHS $	3–12 MONTHS $	1–5 YEARS $	5+ YEARS $	TOTAL $
2011							
Non–interest bearing		1,669,747	–	–	–	–	1,669,747
Forward exchange contracts (payable)		1,557,190	–	1,030,978	–	–	2,588,168
Forward exchange contracts (receivable)		(1,399,760)	–	(1,024,924)	–	–	(2,424,684)
Finance lease liability	8.43	2,274	3,813	7,347	9,032	–	22,466
Fixed interest rate instruments	6.97	2,814,188	–	–	–	–	2,814,188
TOTAL		**4,643,639**	**3,813**	**13,401**	**9,032**	**–**	**4,669,885**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: FINANCIAL INSTRUMENTS (CONT.)

		INTEREST RATE MATURITY					
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 MONTH $	1–3 MONTHS $	3–12 MONTHS $	1–5 YEARS $	5+ YEARS $	TOTAL $
2010							
Non–interest bearing		1,747,937	–	–	–	–	1,747,937
Finance lease liability	8.51	4,253	8,506	36,297	22,414	–	71,470
Fixed interest rate instruments	6.97	168,187	80,562	504,560	2,992,801	–	3,746,110
TOTAL		**1,920,377**	**89,068**	**540,857**	**3,015,215**	**–**	**5,565,517**

NOTE 23: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of Bionomics during the financial year and prior year unless otherwise stated:

Non-Executive Chairman
Mr Christopher Fullerton

Executive Director
Dr Deborah Rathjen, Chief Executive Officer and Managing Director

Non-Executive Directors
Mr Trevor Tappenden
Dr Errol De Souza

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly during the financial year:

Name	Position
Dr Emile Andriambeloson	Director of Research, Neurofit SAS
Dr Andrew Harvey	Vice President Drug Discovery
Dr Gabriel Kremmidiotis	Vice President Research and Development
Ms Melanie Young	Chief Financial Officer and Company Secretary (appointed 9 May 2011)
Mr Trevor Thiele	Chief Financial Officer and Company Secretary (resigned 13 May 2011)

(c) Key Management Personnel Compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2011 $	2010 $
Short-term employee benefits	1,421,011	1,058,533
Post employment benefits	75,343	63,737
Share-based payments	124,124	310,955
Total key management personnel compensation	**1,620,478**	**1,433,225**

NOTE 24: COMMITMENTS FOR EXPENDITURE

(a) Finance Leases

The Group leases scientific equipment under finance leases. The average lease term is three years (2010: three years). Under the terms of the lease, the Group retains ownership at the completion of the agreed term. Interest rates underlying all obligations under finance leases are fixed at the respective contract dates ranging from 8.9% to 9.8% (2010: 8.9% to 9.8%) per annum.

	MINIMUM LEASE PAYMENTS		PRESENT VALUE OF LEASE PAYMENTS	
	2011 $	2010 $	2011 $	2010 $
Finance lease liabilities				
Within one year	13,434	49,056	13,434	49,056
Later than one year but not greater than five	9,032	22,414	7,402	18,914
	22,466	**71,470**	**20,836**	**67,970**
Future finance charges	(1,630)	(3,500)	–	–
Present value of minimum lease payments	**20,836**	**67,970**	**20,836**	**67,970**

	2011 $	2010 $
Represented in the financial statements (note 15) by:		
Current borrowings	13,434	49,056
Non-current borrowings	7,402	18,914
	20,836	**67,970**

(b) Operating Leases

Operating leases relate to business premises with lease terms of between two and ten years. The building premise leases have options of +2 and +5+5 year terms respectively.

	2011 $	2010 $
Payments recognised as an expense		
Minimum lease payments	227,134	195,552

Non-cancellable operating lease commitments		
Within one year	785,826	165,230
Later than one year but not greater than five	2,987,702	20,569
Later than five years	4,246,773	–
Minimum lease payments	**8,020,301**	**185,799**

The non-cancellable lease commitments include the rent payable under the sale and leaseback of the headquarters. The sale occurred on 29 April 2011, with settlement occurring on 13 July 2011. The total lease commitments are expected to be $7,910,077 (2010: nil), and are considered market related.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 24: COMMITMENTS FOR EXPENDITURE (CONT.)

(c) Rental Agreements

The Group sub-lets areas of its facility under agreements that are renewed annually. Rent received from these agreements is treated according to the accounting policy outlined in note 1(c).

	2011 $	2010 $
Future rental income receivable		
Within one year	219,264	219,264
Later than one year but not greater than five	–	219,264
	219,264	**438,528**

NOTE 25: EVENTS OCCURRING AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affects or may significantly affect the results of the operations of the Group.

NOTE 26: REMUNERATION OF AUDITORS

During the financial year the following services were paid and payable to the external auditor:

	2011 $	2010 $
Auditor of the parent entity		
Audit or review of the financial report	119,920	113,497
Tax compliance including preparation of the income tax return	22,457	36,776
	142,377	**150,273**

The auditor of Bionomics Limited is Deloitte Touche Tohmatsu.
It is the Group's practice to employ Deloitte Touche Tohmatsu on assignments additional to their statutory audit duties where their expertise and experience with the Group are important.

NOTE 27: CASH FLOW INFORMATION

Reconciliation of operating loss after income tax to net cash outflow from operating activities

	2011 $	2010 $
Loss after income tax	(9,356,497)	(8,214,082)
Items in loss		
– Depreciation and amortisation	942,506	954,421
– Directors' fees and share based payments	82,471	336,128
– Income tax benefit	(750,406)	–
– Net unrealised foreign exchange differences	9,241	52,768
– Interest received and receivable	(477,516)	(487,386)

NOTE 27: CASH FLOW INFORMATION (CONT.)

	2011 $	2010 $
Changes in operating assets and liabilities		
– Decrease / (Increase) in debtors and other assets	265,073	(151,559)
– Decrease / (Increase) in other operating assets	51,079	–
– Decrease / (Increase) in inventory	70,429	9,325
– Movement in provisions	128,974	129,260
– Increase / (Decrease) in unearned income	(22,622)	(33,990)
– Increase / (Decrease) in creditors and accruals	77,860	305,490
Net cash outflows from operating activities	**(8,979,408)**	**(7,099,625)**

NOTE 28: NON-CASH FINANCING ACTIVITIES

	2011 $	2010 $
Directors' fees and management salaries satisfied by the issue of shares	–	200,867
	–	**200,867**

NOTE 29: LOSS PER SHARE

	2011 CENTS	2010 CENTS
Basic loss per share	(2.9)	(2.7)
Diluted loss per share	(2.9)	(2.7)

The basic and diluted loss per share amounts have been calculated using the 'Loss after income tax' figure in the consolidated statement of comprehensive income.

	2011 $	2010 $
Loss per share (Basic and Diluted):		
Loss after tax for the year	(9,356,497)	(8,214,082)

	2011 NUMBER	2010 NUMBER
Weighted average number of shares - Basic		
Weighted average number of ordinary shares used in calculating basic loss per share	321,578,330	300,798,854
Weighted average number of shares – Diluted		
Weighted average number of ordinary shares used in calculating basic loss per share	321,578,330	300,798,854
– Employee options	2,262,295	563,520
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	323,840,625	301,362,374

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29: LOSS PER SHARE (CONT.)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share.

	2011 NUMBER	2010 NUMBER
Employee options	313,665	5,888,382

NOTE 30: RELATED PARTY TRANSACTIONS

(a) Parent Entity

The immediate parent and ultimate controlling party of the Group is Bionomics Limited. Interests in subsidiaries are set out in note 11.

(b) Key Management Personnel

Disclosures relating to compensation of key management personnel are set out in note 23 and the Directors' Report.

(c) Other Transactions with Related Parties

Transactions between the Group and its related parties

During the financial year ended 30 June 2011, the following transactions occurred between the Group and its other related parties:

- research and development services between the parent and subsidiary entities totalled $2,620,550 (2010: $887,501).
- corporate support fees were charged between the Group's entities of $369,985 (2010: $299,197) for management and accounting support.

The following balances arising from transactions between the Group and its other related parties are outstanding at reporting date:

- loan receivables totalling $1,509,067 (2010: $1,804,479) are payable by the subsidiaries to the Parent entity.

All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities. Interest has been waived since 2010.

The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Transactions between the Group and its associates were eliminated in the preparation of the consolidated financial statements of the Group to the extent of the Group's share in profits and losses of the associate resulting from these transactions.

(d) Loans To and From Related Parties

No loans to or from related parties have occurred in the current or previous financial year.

(e) Key Management Personnel Equity Holdings

(i) Options provided as remuneration and shares issued on the exercise of such options are outlined below, and the terms and conditions of the options can be found in note 1(p)(iv).

(ii) The number of unlisted options over ordinary shares in the company held by each director of the Company and other key management personnel (including related parties) of the Group are set out below. All options that are vested are exercisable.

NOTE 30: RELATED PARTY TRANSACTIONS (CONT.)

2011 OPTIONS NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END	VESTED AND EXERCISABLE AT YEAR END
Mr Christopher Fullerton	500,000	500,000	–	–	1,000,000	200,000
Dr Deborah Rathjen	2,502,300	–	(437,300)	(100,000)	1,965,000	1,635,000
Mr Trevor Tappenden[1]	500,000	–	–	–	500,000	400,000
Dr Errol De Souza	500,000	–	–	–	500,000	300,000
Dr Emile Andriambeloson	325,800	–	–	–	325,800	285,800
Dr Andrew Harvey	250,000	45,000	–	–	295,000	145,000
Dr Gabriel Kremmidiotis	290,000	45,000	–	(90,000)	245,000	245,000
Ms Melanie Young (appointed 9 May 2011)	–	–	–	–	–	–
Mr Trevor Thiele (resigned 13 May 2011)	–	500,000	–	(500,000)	–	–
	4,868,100	**1,090,000**	**(437,300)**	**(690,000)**	**4,830,800**	**3,210,800**

2010 OPTIONS NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END	VESTED AND EXERCISABLE AT YEAR END
Mr Christopher Fullerton	–	500,000	–	–	500,000	–
Dr Deborah Rathjen	3,457,300	–	(175,000)	(780,000)	2,502,300	1,842,300
Mr Trevor Tappenden[1]	500,000	–	–	–	500,000	300,000
Dr Errol De Souza	500,000	–	–	–	500,000	200,000
Dr Peter Jonson (retired 4 November 2009)[2]	1,000,000	–	–	(1,000,000)	–	–
Dr Emile Andriambeloson	325,800	–	–	–	325,800	245,800
Dr Andrew Harvey	250,000	–	–	–	250,000	50,000
Dr Gabriel Kremmidiotis	350,000	–	(20,000)	(40,000)	290,000	290,000
Mr Trevor Thiele (appointed 14 December 2009)	–	–	–	–	–	–
Mr Stephen Birrell (resigned 18 December 2009)	674,000	–	(474,000)	(200,000)	–	–
	7,057,100	**500,000**	**(669,000)**	**(2,020,000)**	**4,868,100**	**2,928,100**

1 Held by Kelso Investments Australia Pty Ltd

2 Held by Sandhurst Trustees Limited

* Includes removal from table at date person resigned

NOTES TO THE FINANCIAL STATEMENTS

NOTE 30: RELATED PARTY TRANSACTIONS (CONT.]

(iii) The number of shares in the company held by each director of the company and other key management personnel (including personally related parties) of the Group are set out below:

2011 SHARES NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	RECEIVED DURING THE YEAR UPON EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END
Mr Christopher Fullerton[3]	4,825,020	–	–	–	4,825,020
Dr Deborah Rathjen	1,188,889	–	437,300	(282,500)	1,343,689
Mr Trevor Tappenden[4]	245,899	–	–	–	245,899
Dr Errol De Souza	116,698	–	–	–	116,698
Dr Emile Andriambeloson	2,889	–	–	–	2,889
Dr Andrew Harvey	126,315	–	–	–	126,315
Dr Gabriel Kremmidiotis	112,577	–	–	–	112,577
Mr Trevor Thiele[6] (resigned 13 May 2011)	100,000	–	–	(100,000)	–
Ms Melanie Young (appointed 9 May 2011)	–	–	–	–	–
	6,718,287	**–**	**437,300**	**(382,500)**	**6,773,087**

2010 SHARES NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	RECEIVED DURING THE YEAR UPON EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END
Mr Christopher Fullerton[3]	4,700,000	125,020	–	–	4,825,020
Dr Deborah Rathjen	996,889	192,000	175,000	(175,000)	1,188,889
Mr Trevor Tappenden[4]	188,355	57,544	–	–	245,899
Dr Errol De Souza	39,763	76,935	–	–	116,698
Dr Peter Jonson (retired 4 November 2009)[5]	716,539	39,729	–	(756,268)	–
Dr Emile Andriambeloson	2,889	–	–	–	2,889
Dr Andrew Harvey	–	126,315	–	–	126,315
Dr Gabriel Kremmidiotis	103,197	160,000	20,000	(170,620)	112,577
Mr Trevor Thiele (appointed 14 December 2009) [6]	–	–	–	100,000	100,000
Mr Stephen Birrell (resigned 18 December 2009)	100,846	68,211	474,000	(643,057)	–
	6,848,478	**845,754**	**669,000**	**(1,644,945)**	**6,718,287**

[3] Held by Mandalay Capital Pty Ltd
[4] Held by Kelso Investments Australia Pty Ltd
[5] Held by Sandhurst Trustees Limited
[6] Held by Thiele Investments Pty Ltd
* Includes removal from table at date person resigned

(f) Loans to Directors and Other Key Management Personnel

There were no loans to any directors of the Company or other key management personnel of the Group during the financial year ended 30 June 2011.

NOTE 30: RELATED PARTY TRANSACTIONS (CONT.]

(g) Other Transactions with Directors and Other Key Management Personnel

There were no other transactions with directors of the Company or other key management personnel of the Group during the financial year.

NOTE 31: PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting polices relating to the Group.

	YEAR ENDED 30 JUNE 2011	YEAR ENDED 30 JUNE 2010
FINANCIAL POSITION		
Assets		
Current assets	25,171,780	14,864,038
Non-current assets	8,964,844	16,521,723
Total assets	**34,136,624**	**31,385,761**
Liabilities		
Current liabilities	4,929,156	2,362,544
Non-current liabilities	129,621	2,812,889
Total liabilities	**5,058,777**	**5,175,433**
Net Assets	**29,077,847**	**26,210,328**
Equity		
Issued capital	87,690,990	75,114,469
Accumulated losses	(59,860,278)	(52,574,314)
Reserves:		
Share based payments reserve	1,247,135	1,164,664
Asset revaluation reserve	-	2,505,509
Total equity	**29,077,847**	**26,210,328**

	YEAR ENDED 30 JUNE 2011	YEAR ENDED 30 JUNE 2010
FINANCIAL PERFORMANCE		
Loss for the year	9,791,471	8,475,117
Other comprehensive income	-	-
Total comprehensive income	**9,791,471**	**8,475,117**

(a) Property, Plant and Equipment Commitments

There are no contractual commitments for the acquisition of property, plant or equipment as at 30 June 2011 (2010: Nil).

(b) Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2011 (2010: Nil).

DIRECTORS DECLARATION.

THE DIRECTORS DECLARE THAT:

a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) the attached financial statements are in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements;

c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

d) the directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Christopher Fullerton
Chairman

Deborah Rathjen
Chief Executive Officer
and Managing Director

Dated this 17th day of August 2011

INDEPENDENT AUDIT REPORT.

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Bionomics Limited

Report on the Financial Report

We have audited the accompanying financial report of Bionomics Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 41 to 84.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bionomics Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT

Deloitte.

Opinion

In our opinion:

(a) the financial report of Bionomics Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 38 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Bionomics Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu.

DELOITTE TOUCHE TOHMATSU

J J Handel.

J J Handel
Partner
Chartered Accountants
Adelaide, 17 August 2011

SHAREHOLDER INFORMATION.

NUMBER OF HOLDERS OF EQUITY

Ordinary Share Capital
344,731,779 fully paid ordinary shares are held by 3,671 individual shareholders.

Voting Rights
There is one class of quoted equity securities issued by the Company, ordinary, with voting rights attached to the ordinary shares. One share equates to one vote.

Unlisted options
7,766,715 options are held by 44 individual option holders.

DISTRIBUTION OF SHAREHOLDERS OF EQUITY SECURITIES

	NUMBER OF SECURITY HOLDERS	
Category (size of holding)	**Ordinary shares**	**Unlisted options**
1 – 1,000	401	-
1,001 – 5,000	1,138	1
5,001 – 10,000	666	-
10,001 – 100,000	1,213	29
100,001 – and over	253	14
	3,671	**44**

Holding less than a marketable parcel	406	

SUBSTANTIAL SHAREHOLDERS

Substantial holders in the Company are set out below:

Ordinary Shares	**Number held**
National Nominees Limited	45,867,644
Link Traders (Aust) Pty Ltd	37,000,000
Start-Up Australia Ventures	28,364,866
The Australian National University	23,278,583
HSBC Custody Nominees	22,700,340

SHAREHOLDER INFORMATION

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITIES

The names of the 20 largest holders of each class of quoted equity securities are listed below:

		ORDINARY SHARES	
	Name	**Number held**	**Percentage of issued shares**
1	National Nominees Limited	45,867,644	13.31
2	Link Traders (Aust) Pty Ltd	37,000,000	10.74
3	Start-Up Australia Ventures	28,364,866	8.23
4	The Australian National University	23,278,583	6.75
5	HSBC Custody Nominees	22,700,340	6.58
6	J P Morgan Nominees Australia Limited	12,234,675	3.55
7	Pagodatree Investments Limited	8,014,030	2.32
8	Balzac Investments Pty Ltd	7,744,223	2.25
9	Boom Australia Pty Limited	6,933,100	2.01
10	HSBC Custody Nominees (Australia) Limited – GSCO ECA	5,950,840	1.73
11	CVC Limited	5,000,000	1.45
12	Mandalay Capital Pty Ltd	4,825,020	1.40
13	JBW Investments Pty Ltd	3,950,000	1.15
14	Mark & Rebecca Potter	2,881,250	0.84
15	UBS Nominees Pty Ltd	2,694,650	0.78
16	Stephen Rattray & Peta Rattray	2,500,192	0.73
17	Credit Suisse Securities (Europe) Ltd	2,500,000	0.73
18	AW & JE Wilks	2,150,000	0.62
19	UBS Wealth Management Australia Nominees Pty Ltd	1,822,481	0.53
20	JP Morgan Nominees Australia Limited	1,713,552	0.50
		228,125,446	**66.20**

Unquoted equity securities	**Number on issue**	**Number of holders**
Options issued pursuant to Bionomics Limited Employee Share Option Plan	7,766,715	44
	7,766,715	**44**

COMPANY PARTICULARS.

Bionomics, a listed public Company, is domiciled and incorporated in Australia.

Bionomics shares are listed on the Australian Securities Exchange under the code BNO.

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Adelaide SA Australia 5000

PATENT ATTORNEYS
Griffith Hack
167 Eagle Street
Brisbane QLD Australia 4000

Davies Collison Cave
1 Nicholson Street
Melbourne VIC Australia 3000

Bionomics is not listed on any other stock exchanges other than the ASX.

DIRECTORS	
Mr Christopher Fullerton	Chairman
Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Mr Trevor Tappenden	Non-Executive Director
Dr Errol De Souza	Non-Executive Director

SENIOR MANAGEMENT	
Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Dr Emile Andriambeloson	Head of Research, Neurofit
Dr Andrew Harvey	Vice President Drug Discovery
Dr Gabriel Kremmidiotis	Vice President Research and Development
Ms Melanie Young	Chief Financial Officer and Company Secretary

SCIENTIFIC ADVISORS

Dr Simon Campbell **CBE BSc PhD**
Dr Jayesh Desai **MBBS**
Dr Errol De Souza **PhD**
Professor Paul Fitzgerald **PhD MSc**
Dr Tim Harris **PhD MSc BSc**
Dr Ann Hayes **BSc**
Mr Richard Morgan **C Biol, MI Biol Dip RC Path**
Dr Christopher J Sweeney **MBBS**

Bionomics has an American Depositary Receipts program (ADRs) sponsored by BNY Mellon, under the ticker code 'BMICY'. For further details about this program, please contact:

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