Bionomics

2012 BIONOMICS ANNUAL REPORT

A LEADING INTERNATIONAL DRUG DISCOVERY AND DEVELOPMENT COMPANY

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THE RECENTLY ANNOUNCED ACQUISITION OF SAN DIEGO BASED ECLIPSE THERAPEUTICS EXPANDS DRAMATICALLY OUR PRESENCE IN ONCOLOGY AND POSITIONS BIONOMICS AS A LEADER IN STEM CELL THERAPEUTICS:

- PROVIDES A PLATFORM FOR GROWTH IN THE WORLD'S LARGEST PHARMACEUTICAL MARKET.

CHAIRMAN'S LETTER

YOUR COMPANY REMAINS IN A STRONG POSITION, IN TERMS OF FINANCES, MANAGEMENT RESOURCES AND OUR PORTFOLIO OF ASSETS

CHRISTOPHER FULLERTON CHAIRMAN.

DEAR FELLOW SHAREHOLDER,

Against the background of a particularly challenging past year for risk assets, Bionomics has had yet another year of solid progress accompanied by major, significant achievements. Your Company is well funded and the entire management team, under Deborah Rathjen's inspiring leadership, remains as professional, focussed and hardworking as ever. On your behalf, I extend my sincere thanks to the entire team, both in Adelaide, Strasbourg and now San Diego.

A number of key events have lifted the stature of Bionomics. First, the early stage partnering of our anxiety and depression compound, BNC210, with NASDAQ listed Ironwood Pharmaceuticals in early January this year achieved an important goal for Bionomics, being the first partnering of a major compound discovered by your Company. I am delighted to report that, to date, the Ironwood team has exceeded our expectations as a development and commercialisation partner for this very promising drug candidate.

The recently announced acquisition of San Diego based Eclipse Therapeutics expands dramatically our presence in oncology, providing an exciting opportunity to participate in cancer stem cell research and development which is currently receiving much attention. Our involvement with cancer stem cells will complement our work on BNC105, the leading global vascular disruption agent currently under development.

Importantly, the Eclipse acquisition provides an operational presence in the United States which is core to your Company's medium term strategy.

Our drug discovery efforts have been expanded, and our progress has highlighted the value of having an "in house" contract research organisation. Our Strasbourg based subsidiary, Neurofit, has carried out much of the necessary testing in a timely and professional manner.

Another major achievement has been the strengthening of the senior management team, with four new senior positions being filled in the past few months. The additional high calibre executives will enable your Company to exploit fully the growing list of opportunities. These management additions have been mirrored in the appointment of two new non-executive directors which will greatly add to the depth of biotech/ healthcare knowledge and experience and expand geographic cover, with two non-executive directors now based in the United States.

In summary, Bionomics has had a very solid year; our achievements were many and major. Your Company remains in a strong position, in terms of finances, management resources and our portfolio of assets. This is a powerful base on which to move forward and to reward, over time, the continuing support and loyalty of our shareholders.

Christopher Fullerton
CHAIRMAN

CEO & MANAGING DIRECTOR'S REPORT

DURING THE YEAR WE MADE CONSIDERABLE PROGRESS ACROSS OUR PIPELINE OF TECHNOLOGIES AND IT IS MY VIEW THAT THE COMPANY'S FUTURE HAS NEVER LOOKED BRIGHTER.

DEBORAH RATHJEN
CEO & MANAGING DIRECTOR.

DEAR SHAREHOLDERS,

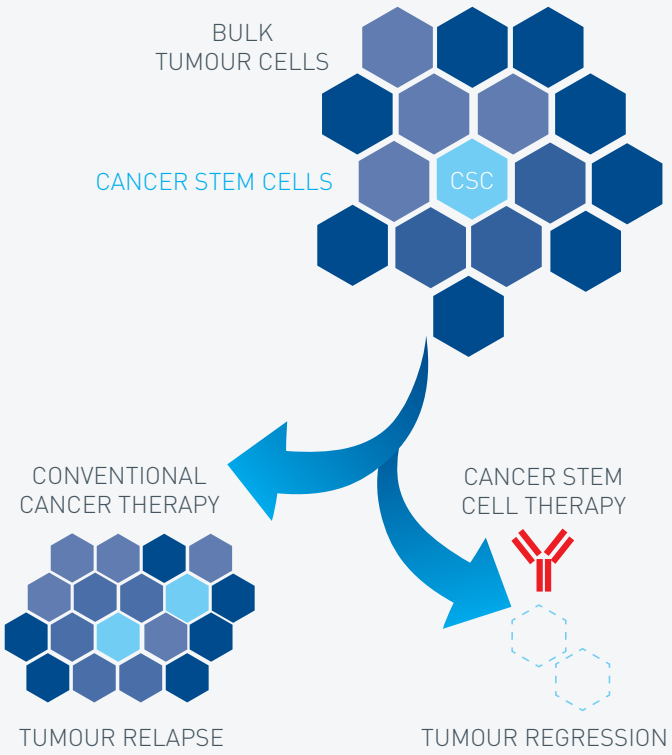
I am pleased to report that FY2011/12 was yet another eventful and productive year at Bionomics. During the year we made considerable progress across our pipeline of drug candidates and it is my view that the Company's future has never looked brighter. One of the standout achievements was without doubt the validation of our BNC210 anxiety program with a lucrative out-licensing deal signed with major industry player, Ironwood Pharmaceuticals. The deal followed a focussed effort last year to achieve what we believe is a potentially transformational event.

I am very proud of the advances we have made across the entire portfolio of treatments for cancer and CNS disorders, including:

- the extension of our clinical program for 'best in class' vascular disruption agent BNC105 to include ovarian cancer. BNC105's clinical development program is already well advanced in Phase II trials for renal cell cancer and we are excited about this new opportunity.
- excellent results achieved by IW-2143 (formerly called BNC210) in foundation studies to support the filing of an Investigational New Drug (IND) application. IW-2143 is a 'first in class' drug candidate with potential for the treatment of anxiety and depression.
- the return to our control of the Kv1.3 program for autoimmune disorders, enabling us to broaden its application beyond multiple sclerosis and attract new partnering interest.
- a new program, Alpha 7, targeting the improvement of memory in Alzheimers Disease and other disorders has been promoted into the development pipeline with the selection of a drug candidate for IND enabling studies and clinical development a near term milestone.

BIONOMICS ACQUIRES US CANCER STEM CELL COMPANY ECLIPSE THERAPEUTICS

On 17 September 2012, Bionomics announced that it had acquired San Diego, California-based Eclipse Therapeutics. Eclipse, which is a spin-off of NASDAQ listed Biogen Idec Inc., has developed drug candidates that target cancer stem cells (CSCs). Eclipse has now become Bionomics' wholly owned US subsidiary, Bionomics Inc, securing Bionomics a considerable presence in the world's largest pharmaceutical market. This is a strategic move for Bionomics which gives greater visibility to our business development activities as we focus on seeking partnerships for our key programs.



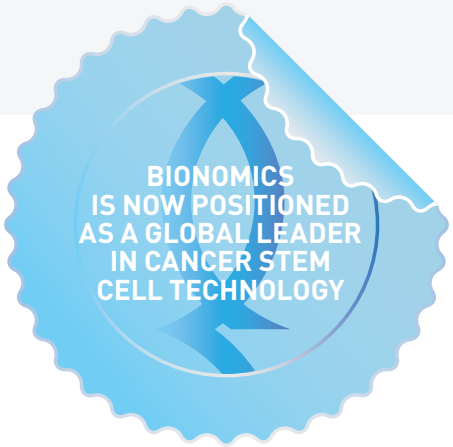
WHAT IS A CANCER STEM CELL?

Cancer stem cells are a distinct class of cancer cells that form the root of a tumour. Similar to other stem cells, they are the seeds that give rise to initial tumour formation and if left unchecked, give rise to tumour recurrence and metastasis. Cancer stem cells are more resistant to traditional chemotherapy and radiation therapy, therefore the key to ultimately defeating cancer may be new drugs that specifically target and eradicate these cancer stem cells.

What is Eclipse's lead product and what are the anticipated milestones over the next 12 months?

Eclipse's lead compound ET101 targets an undisclosed cancer stem cell receptor that is over-expressed on most solid tumours. In colon cancer patients, a high expression of the ET101 target on cancer cells is associated with an approximately 10 fold higher rate of relapse following chemotherapy.

The ET101 program will reach a number of milestones in the coming 12 months as Bionomics prepares for its entry into clinical trial. A range of activities leading up to IND enabling studies will be initiated in Q1 2013, production-scale manufacture and IND enabling toxicology is then anticipated to commence in Q4 CY 2013. ET101 is expected to move into human trials in 2014.



Significant financial and human resources have been invested in Eclipse's cancer stem cell drug research over eight years. Its **CSC Rx Discovery™** platform can identify antibody and small molecule therapeutics that inhibit the growth of cancer stem cells. Cancer stem cell technology is a highly lucrative new area of oncology and Bionomics has positioned itself as a global leader in the area.

"WE HAVE BEEN MOST IMPRESSED BY THE QUALITY OF THE ANIMAL DATA THAT BIONOMICS HAD GENERATED IN ITS PRECLINICAL STUDIES"

DR MARK CURRIE, IRONWOOD PHARMACEUTICALS.

US $345 MILLION CNS DEAL WITH IRONWOOD PHARMACEUTICALS

Following a landmark licensing agreement announced on 5 January 2012, the BNC210 program has been re-named as IW-2143 and formally incorporated into Ironwood Pharmaceutical's pipeline of innovative medicines for symptomatic disorders. Studies to date indicate that the compound can relieve anxiety quickly, without the common side effects such as sedation and addiction of current anti-anxiety medications.

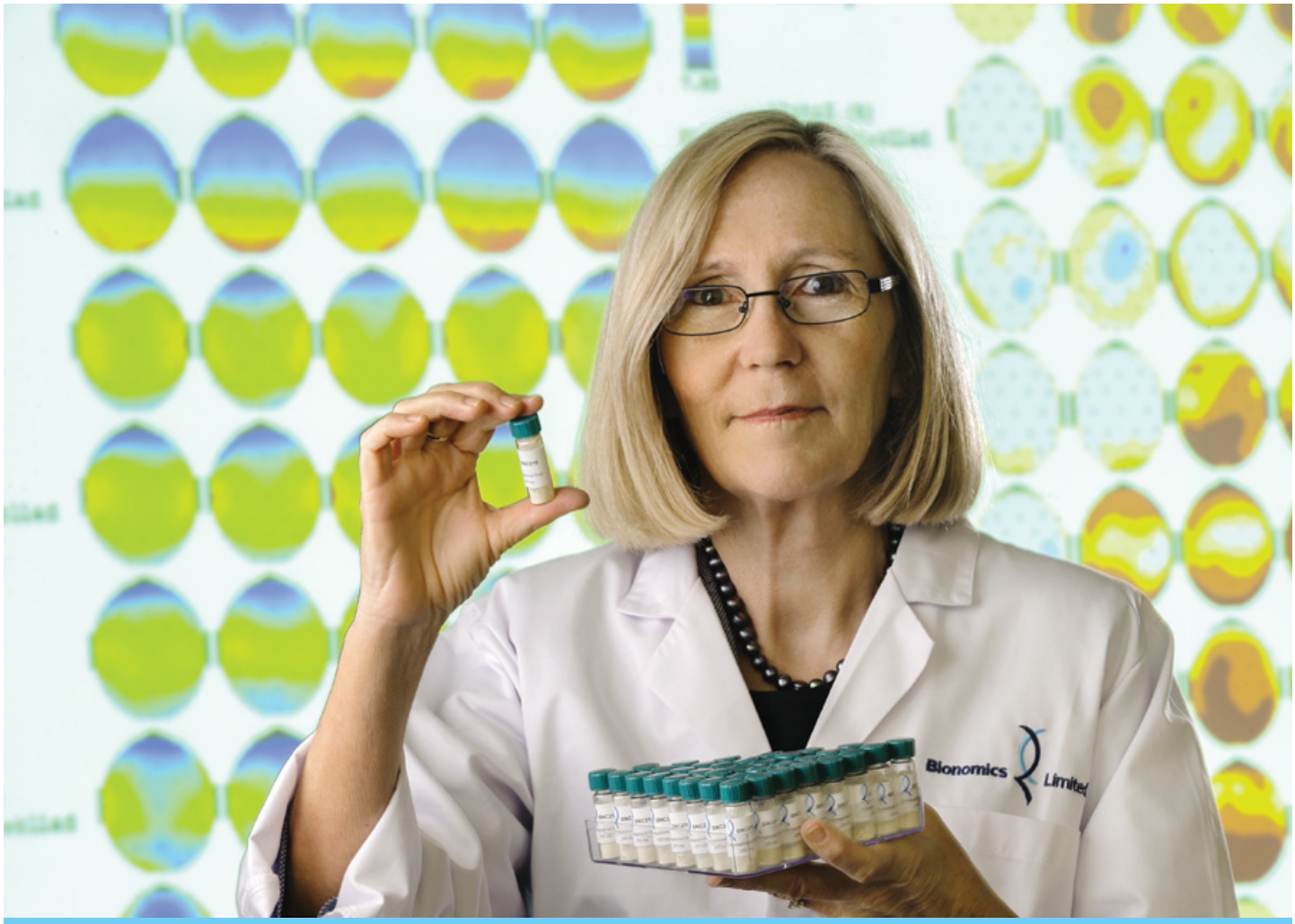
We are delighted with our choice of partner in Ironwood whose talented team has strong clinical expertise and the capacity to undertake the type of development the program now needs.

Ironwood's Dr Mark Currie, who holds the positions of Senior Vice President R&D and Chief Scientific Officer, said the quality of the animal data that Bionomics had generated in its preclinical studies had been a critical factor in their decision to take on the program.

Key data on the mode of action of BNC210 was presented at the 24th Annual European College of Neuropsychopharmacology (ECNP) Conference in Paris in September 2011, ahead of the licensing deal. The new data established a common molecular link between the anti-anxiety and anti-depressant effects of BNC210.

A follow-up presentation of clinical data took place in November 2011 at the annual Society for Neuroscience Conference in Washington DC which is widely regarded by industry insiders as the premium forum for highlighting advances in CNS drug development. The presentation further raised the global profile of BNC210 as an innovative, next generation treatment for anxiety and depression. I have no doubt that the additional exposure assisted us in building a case for BNC210 in the eyes of the international neuroscience community and culminated in the signing of the licensing agreement with Ironwood.

Current activities underway at Ironwood are directed towards advancing the Investigational New Drug (IND) application for submission to the FDA paving the way for US clinical trials of BNC210.



THIS FIRST OUT-LICENCE FROM BIONOMICS' CLINICAL STAGE PIPELINE IS THE LARGEST DEAL ACHIEVED TO DATE FOR A PHASE I ASSET FROM THE AUSTRALIAN BIOTECHNOLOGY SECTOR. THE ONLINE PUBLICATION FIERCEBIOTECH INCLUDED THIS DEAL IN THE TOP 20 BIOTECH DEALS OF 1H, 2012.

The agreement with Massachusetts-based Ironwood Pharmaceuticals, Inc. (NASDAQ:IRWD) comprises:

- US$345 million in upfront and development and regulatory milestone payments.
- Royalties on net sales of products incorporating BNC210.
- US$13 million over the first 24 months, including US$3 million initial payment.
- All clinical trials to be funded by Ironwood.
- Ironwood will be responsible for the worldwide development and commercialisation of all products incorporating BNC210.

Ironwood

PHASE II CLINICAL PROGRAM FOR BNC105 IS EXPANDED TO INCLUDE OVARIAN CANCER

BNC105 is a potent and selective vascular disrupting agent that targets blood vessels in solid tumours but leaves healthy blood vessels untouched. Its potential for treating a range of tumour types means this compound has the potential to be a blockbuster drug and has drawn comparison with Roche's Avastin which achieved sales in excess of US$5.42 billion in 2011.

Bionomics aims to follow a similar path to the one successfully pursued by Avastin which is to develop BNC105 in combination with established chemotherapy regimens. This strategy will allow us to gain access to a broader commercial opportunity more rapidly, whilst retaining a focus on potential regulatory fast track to market. The combination therapies included in Bionomics' clinical trials of BNC105 are used to treat many solid tumour types including breast, prostate, pancreatic, gastric and lung cancers.

A multi-centre Phase II clinical trial of BNC105 in combination with everolimus (marketed by Novartis as Afinitor) in patients with metastatic Renal Cell Carcinoma has been underway in the US since January 2010. Data presented at the American Society for Clinical Oncology 2012 Genitourinary Cancers Symposium (ASCO-GU) in San Francisco in February this year confirmed the compatibility of the drug combination which was shown to be safe and well tolerated. Updated data, with both drugs at full dosage levels, presented a consistent finding at the annual American Society for Clinical Oncology (ASCO) meeting in Chicago, Illinois in June.

Bionomics also published final data at ASCO from its earlier single arm Phase II trial mesothelioma trial which enrolled 30 patients progressing after first line chemotherapy with pemetrexed (Alimta) and cisplatin. We reported for the first time significant changes in plasma biomarkers which were consistent with vascular activity by BNC105. The objective tumour response, safety profile and tolerability of BNC105 further support our premise that its integration with established chemotherapy regimens is well warranted.

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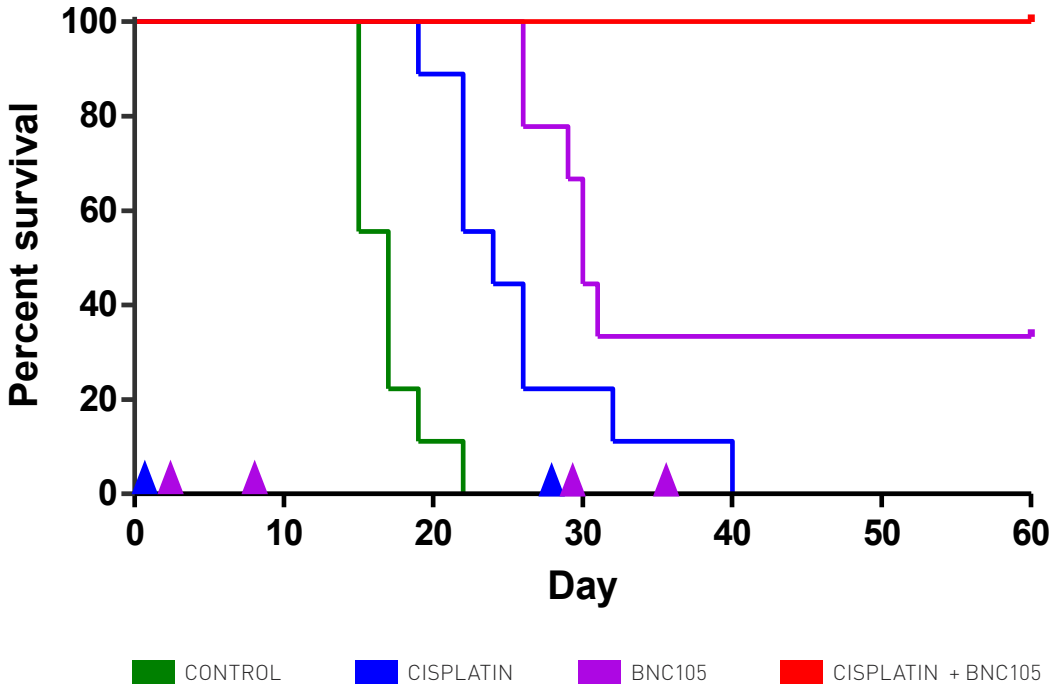
BNC105 CLINICAL TRIALS BEGIN IN WOMEN WITH OVARIAN CANCER:

Up to 134 women will be enrolled at 18 sites across Australia, New Zealand and the United States.

In March 2012, Bionomics gained approval to trial BNC105 in women with ovarian cancer. The ovarian cancer trial was launched in May and will evaluate BNC105 in combination with carboplatin and gemcitabine in a multicentre randomised Phase I/II trial. Up to 134 women will be enrolled at 18 sites across Australia, New Zealand and the United States. The rationale for the trial was based on robust preclinical data showing the synergy between BNC105 and platinum-based therapies in improving survival rates of animals with solid tumours which was presented in April at the American Association for Cancer Research (AACR) Annual Meeting 2012 in Chicago, Illinois.

We anticipate interim data from the trial to be available in mid CY2013. This timing coincides with the release of results from the renal trial which have the potential to trigger the negotiation of a license agreement for our lead drug.

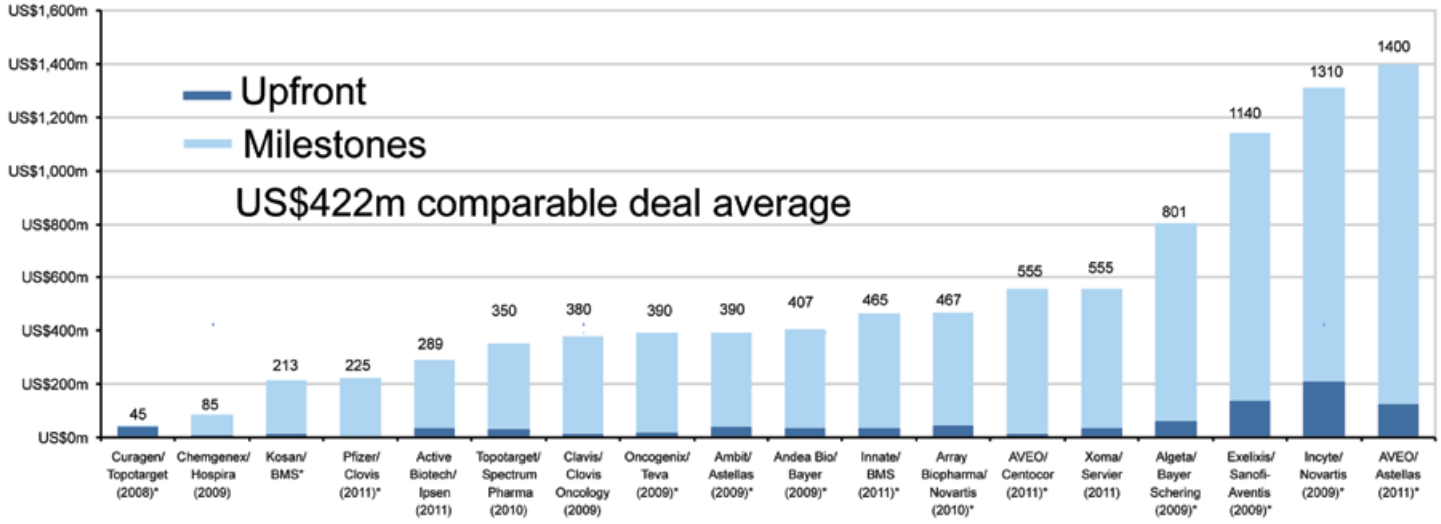
PHASE II CLINICAL PROGRAM FOR BNC105 IS EXPANDED TO INCLUDE OVARIAN CANCER CONT.



BNC105 preclinical data supports ovarian cancer trial:

- Potent cytotoxic for platin sensitive and resistant ovarian cancer cells.
- Inhibits tumour growth and improves survival in cisplatin-resistant ovarian cancer model.
- Treatment of lung cancer-bearing animals with BNC105 + cisplatin results in 100% survival.

PRECEDENT ONCOLOGY LICENSING TRANSACTIONS



Source: Edison Research reports, Linwar Research reports, Bionomics management sources, Greenhill Caliburn analysis. *Indicates worldwide deal. Average excludes significant outliers Curagen/Topotarget, Chemgenex/Hospira, Exelixis/Sanofi-Aventis, Incyte/Novartis and AVEO/Astellas

BIONOMICS REGAINS CONTROL OF KV1.3 PROGRAM'S DESTINY

Bionomics recently regained from former partner Merck Serono full ownership and control of the Kv1.3 program which is focused on developing new treatments for common autoimmune disorders. In the four year collaboration, Merck Serono fully funded investigations towards a new oral drug for multiple sclerosis, and the preclinical program was significantly advanced with the ongoing involvement of Bionomics' scientists.

Since regaining this valuable asset, Bionomics has been granted a new patent by the United States Patent and Trademark Office for the use of Kv1.3 active compounds in the treatment or prevention of autoimmune and inflammatory diseases. This latest patent provides further opportunity to maximise commercial benefit for the program by extension to include important immune-related conditions in addition to multiple sclerosis. All have an unmet medical need for new, more effective treatments and include rheumatoid arthritis, psoriasis, and uveitis.

THE MARKET FOR IMMUNO-THERAPIES IS LARGE AND GROWING

The global immunomodulators market size was estimated at US$46.8 billion in 2010.

Multiple Sclerosis (MS) autoimmune disease affects nerve function that leads to numbness, difficulty in co-ordination, memory loss & ultimately paralysis. Annual revenue of MS drugs worldwide exceeded US$12b in 2010 and significant market growth is projected to 2025.

Rheumatoid arthritis (RA) is an autoimmune disease affecting the joints that occurs in approximately 1% of the global population. The prevalence of the disease in the US is forecast to grow to 1.5 million people in 2016. RA is twice as common in women as in men. The global RA market was estimated at US$9 billion in 2009 and is forecast to grow by 6% annually to reach US$14.3 billion by 2017.

Psoriasis is a chronic, recurring disease that causes the development of raised, reddened lesions on the skin and is estimated to affect 1-3% of the global population. Psoriasis can occur at any age and 20-30% of patients develop psoriatic arthritis. Treatments for psoriasis are one of the fastest growing segments in the global dermatology market and account for about 18% of the market. The psoriasis market was estimated at US$3.4 billion in 2009 and is estimated to grow to US$6.8 billion in 2019.

Uveitis is a chronic inflammation of the eye that causes ocular pain and loss of vision. It afflicts approximately 250,000 patients in North America and Europe. As uveitis affects a young patient population (median age at onset is 39), the socio-economic impact of the disease is greater than that of age-related macular degeneration (AMD) or diabetic macular edema. Although uveitis is one of the leading causes of blindness, the medications available to reduce the inflammation have a low safety profile. This presents opportunities for new treatments that have improved safety and efficacy. The global uveitis therapeutics market is expected to grow at 26.4% annually for the next seven years, from $317m in 2010 to reach $1.6 billion by 2017. (Source: Global Data, 2011)

Bionomics has wasted no time in refocusing and accelerating the program in these new directions and is progressing two potential drug candidates. We are developing a topical formulation for inflammatory skin and ophthalmic applications such as psoriasis and uveitis, in addition to an oral orally active agent for autoimmune conditions that include multiple sclerosis, rheumatoid arthritis and psoriasis.

In keeping with our licensing strategy,

BIONOMICS IS NOW AGGRESSIVELY SEEKING NEW PARTNERSHIP OPPORTUNITIES FOR THIS PROGRAM TO EXPLOIT ITS EXCITING, MULTIPLE APPLICATIONS. IT IS PLEASING TO REPORT CONSIDERABLE LICENSING AND IN THIS REGARD INTEREST IN THIS PROGRAM.

ALPHA 7: MORE THAN ALZHEIMER'S DISEASE

The Alpha 7 program is centred on compounds that improve cognition through activation of the alpha7 nicotinic acetylcholine receptor. They have the potential to treat Alzheimer's disease and other neurodegenerative conditions such as Parkinson's disease, Multiple Sclerosis, Schizophrenia and ADHD by improving memory and may also reduce brain tissue inflammation. In February 2012, Bionomics announced that a patent application covering these compounds had entered the international phase. As with all our programs, compounds in the Alpha 7 project have been carefully benchmarked and have clearly differentiated competitive advantages which are shown in the following table.

CHARACTERISTICS	BIONOMICS POSITIVE ALLOSTERIC MODULATORS	COMPETING AGONIST COMPOUNDS
Potent	✓	×
Acute efficacy, indicative of rapid onset of action in an animal model of memory	✓	×
Produce greater response than maximum concentrations of other ligands eg: acetylcholine and nicotine	✓	×
Preserve the normal signalling patterns of the receptor	✓	×
Do not cause receptor desensitization	✓	×
No potential for development of tolerance	✓	×
Selectivity over other nicotinic receptors	✓	✓

The table highlights a number of clear advantages of the Bionomics Alpha 7 compounds:

- BNO compounds, which are positive allosteric modulators of the receptor, stimulate the receptor only when needed with no desensitization of the receptor. The rationale is that positive allosteric modulation of the receptor allows greater efficacy without increasing side-effects or causing receptor desensitization.
- The BNO compounds have a rapid onset of action. A single dose is able to improve memory in pre-clinical models significantly. In contrast a single administration of benchmark agonist compounds does not improve memory significantly or with consistency in these same animal models.
- The BNO compounds are more potent and highly selective.

A near term milestone in the Alpha 7 program, drug candidate selection, will trigger GMP manufacture and the commencement of IND enabling studies as a prelude to initiation of clinical trials.

GIVEN THE STRONG COMMERCIAL AND CLINICAL INTEREST IN AGENTS THAT STIMULATE MEMORY, WE WILL BE LOOKING TO SECURE AN EARLY LICENSING DEAL FOR THIS PROGRAM.

THE MARKET FOR ALZHEIMERS AND DEMENTIA

The estimated worldwide costs of dementia, including direct and indirect costs of care, were estimated to be $604 billion in 2010, with an estimated 35.6 million people worldwide affected by dementia.

This number is anticipated to double every 20 years, reaching 65.7 million in 2030 and 115.4 million in 2050. In the US alone an estimated 5.3 million people have Alzheimers disease (AD) with 14% of people over 71 years of age affected by AD.

(Source: Business Insights, 2011)

FINANCIAL AND CORPORATE

Neurofit, our France-based contract research business focused on CNS drugs, continues to add value to Bionomics' CNS pipeline as well as to attract contract research revenues from its services to large pharmaceutical multinationals.

Bionomics ended the financial year in a strong position. Cash at 30 June 2012 was $17,336,609, an increase of $1,295,205 over the 30 June 2011 balance. Revenue for the period excluding other income was $6,834,709, compared with $4,071,798 for the period to 30 June 2011. The operating loss after tax of the Group for the period was $3,136,238 which was in line with expectations.

With prospective near-term payments of up to $10 million from Ironwood and strong licensing potential from three un-partnered programs in our pipeline, Bionomics is in an excellent position from which to drive forward on multiple fronts.

THESE PROGRAMS REPRESENT UNPRECEDENTED COMMERCIAL OPPORTUNITY FOR OUR COMPANY AND CAN BE EXPECTED TO UNLOCK SUBSTANTIAL VALUE FOR BNO SHAREHOLDERS.

ADDITIONS TO THE TEAM

Bionomics has recently made a number of appointments to its team which emphasize the maturity of the company and the focus we have on research and development being linked to our business model of strategic partnering from preclinical to Phase II clinical development.

Dr Jeremy Simpson has joined Bionomics as VP Clinical Development, with an impressive track record in both oncology and CNS clinical trials, and from 1 November 2012 Dr José Iglesias will come on board as our Chief Medical Officer bringing with him 20 years of experience in big Pharma and in biotechnology oncology drug development. Our Eclipse acquisition has brought to us a new platform and exciting drug candidates targeting cancer stem cells to deepen our oncology pipeline. Just as importantly it has brought into the team ex-Biogen Idec scientists and founders of Eclipse Dr Peter Chu (VP US Operations and Cancer Biology) and Dr Christopher Reyes (VP R&D Biologics).

OUTLOOK

As I noted earlier, Bionomics' future has never looked brighter. Exciting partnership prospects for an expanded Kv1.3 program and our Alpha 7 program add depth to our pipeline of well differentiated drug candidates. Each targets the treatment of serious conditions with significant unmet clinical need, and for which large market opportunities exist. We are able to not only sustain but accelerate our pipeline development by virtue of two distinguishing attributes: 1) high quality drug candidates and 2) our strategic partnering strategy which allows multiple and diverse programs to be optimally developed.

IN 2013 BIONOMICS WILL CONTINUE TO EXECUTE ITS GLOBAL PARTNERING STRATEGY WITH A PARTICULAR US MARKET EMPHASIS.

I would like to conclude with thanks for the unfailing effort of our talented people, supported by our esteemed scientific and clinical development advisors. As a team we are very grateful to the participants in our clinical trials and their families and for the support of our shareholders who share our vision in bringing more effective medicines to sufferers of cancer, anxiety, depression and other serious conditions.

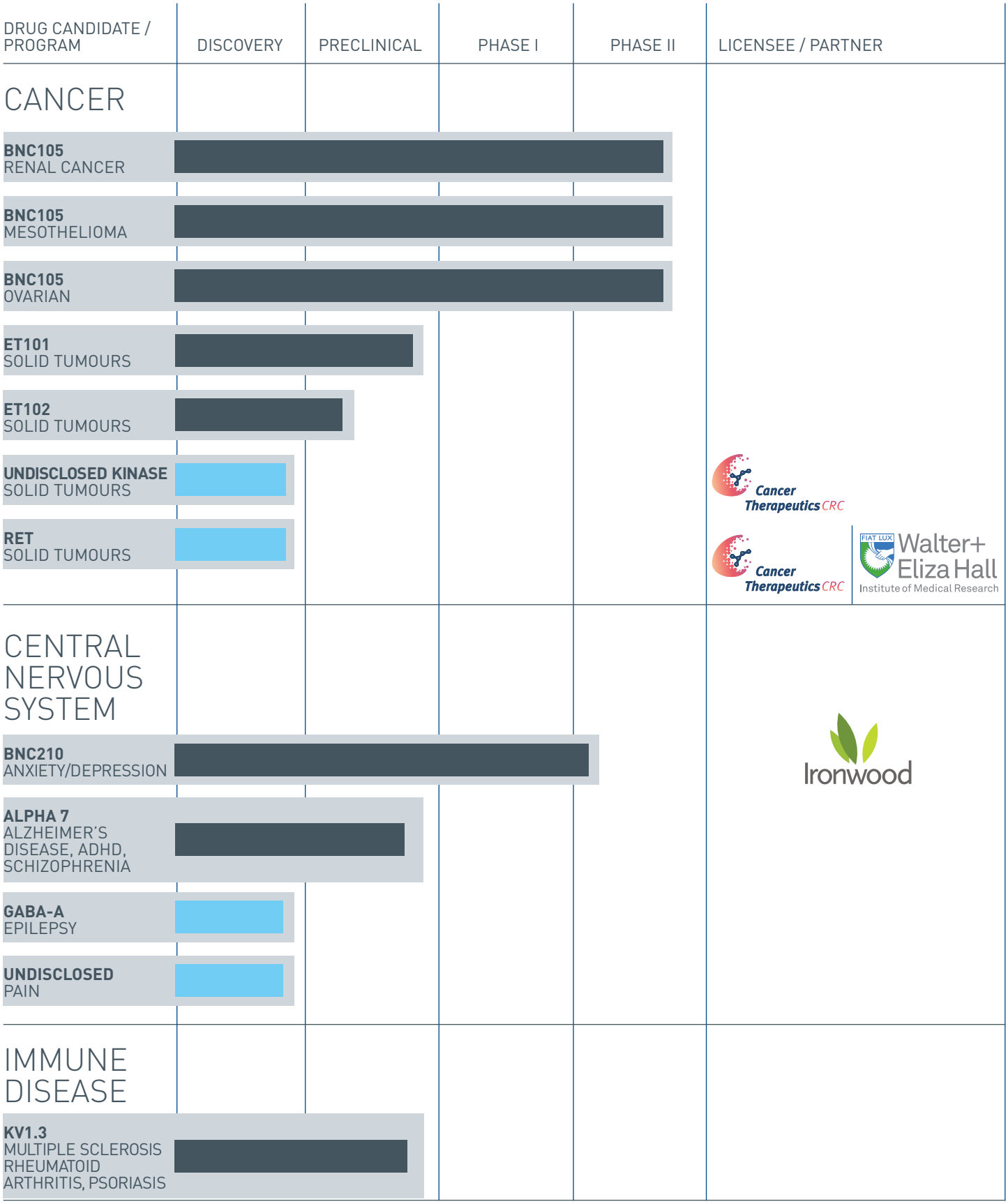
Deborah Rathjen
CEO and Managing Director

R&D OUTLOOK AND ANTICIPATED MILESTONES : PARTNERSHIP FOCUS

KEY PROGRAM MILESTONE	TIMING
BNC105	
Complete Phase II renal cancer trial enrolment	Q4, 2012 / Q1, 2013
Results from renal cancer trial	2H, 2013
Complete ovarian Phase I trial enrolment	1H, 2013
New data presentations at AACR and ASCO	1H, 2013
ALPHA 7	
Drug candidate selection	2H, 2012
Initiation of GMP manufacture and IND enabling studies	1H, 2013
ET101	
Initiation of GMP manufacture and IND enabling studies	1H, 2013
KV1.3	
Partnership	2013

PIPELINE

BIONOMICS BROAD PRODUCT PIPELINE



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 19 patents this financial year, 3 PCT patent applications entered the national and regional phases of examination and 1 provisional patent application was filed as indicated below.

NEW PATENT APPLICATIONS GRANTED OR FILED THIS FINANCIAL YEAR

GRANTED

PATENT NO.	COUNTRY	TITLE	GRANT DATE
2005270734	Australia	Compositions and methods for angiogenesis related molecules and treatments	7 July 2011
7989182	United States of America	Mutations in ion channels	2 August 2011
570014	New Zealand	Substituted benzofurans, benzothiophenes, benzoselenophenes and indoles and their use as tubulin polymerization inhibitors	8 August 2011
4825802	Japan	Compositions and methods for angiogenesis related molecules and treatments	16 September 2011
2010/02385	South Africa	Novel aryl potassium channel blockers and uses thereof	29 June 2011
8063093	United States of America	Novel potassium channel blockers and uses thereof	22 November 2011
2006212726	Australia	Novel tubulin polymerization inhibitors	22 December 2011
584480	New Zealand	Novel aryl potassium channel blockers and uses thereof	5 December 2011
2007201976	Australia	Loci for idiopathic generalised epilepsy, mutations thereof and meth using same to assess, diagnose, prognose or treat epilepsy	12 January 2012
564892	New Zealand	Methods of treatment and diagnosis of epilepsy by detecting mutations in the SCN1A gene	7 February 2012
2006257716	Australia	Methods of treatment and diagnosis of epilepsy by detecting mutations in the SCN1A gene	1 March 2012
8129142	United States of America	Mutations in ion channels	6 March 2012
1984333	Europe	Substituted benzofurans, benzothiophenes, benzoselenophenes and indoles and their use as tubulin polymerization inhibitors	25 April 2012
2006225071	Australia	Novel potassium channel blockers and uses thereof	26 April 2012
575686	New Zealand	Novel chromenone potassium channel blockers and uses thereof	5 June 2012
8198466	United States of America	Substituted benzofurans, benzothiophenes, benzoselenophenes and indoles and their use as tubulin polymeristaion inhibitors	12 June 2012
2007211840	Australia	Substituted benzofurans, benzothiophenes, benzoselenophenes and indoles and their use as tubulin polymerization inhibitors	14 June 2012
8202513	United States of America	Novel Aryl Potassium Channel Blockers and Uses Thereof	19 June 2012
1947199	Europe	Method for Identifying Nucleic Acid Molecules Associated with Angiogenesis	20 June 2012

FILED

PATENT NO.	COUNTRIES	TITLE	PROGRAM
11106402.6	Hong Kong	Novel potassium channel blockers and uses thereof	Kv1.3
PCT/AU2011/000900	PCT	Chemical processes for the manufacture of substituted benzofurans	BNC105
598489	New Zealand	Combination therapy	BNC105
2010286334	Australia	Combination therapy	BNC105
2771789	Canada	Combination therapy	BNC105
201080044059.0	China	Combination therapy	BNC105
10811021.4	Europe	Combination therapy	BNC105
218283	Israel	Combination therapy	BNC105
2012-525817	Japan	Combination therapy	BNC105
13/392473	United States	Combination therapy	BNC105
2010286343	Australia	Treatment for Macular Degeneration	BNC105
2771807	Canada	Treatment for Macular Degeneration	BNC105
201080028158.8	China	Treatment for Macular Degeneration	BNC105
10811030.5	Europe	Treatment for Macular Degeneration	BNC105
218282	Israel	Treatment for Macular Degeneration	BNC105
2012-525821	Japan	Treatment for Macular Degeneration	BNC105
598490	New Zealand	Treatment for Macular Degeneration	BNC105
13/392435	United States	Treatment for Macular Degeneration	BNC105
PCT/AU2012/000084	PCT	Positive Allosteric Modulators and Uses Thereof - 1	α7 nAChR
PCT/AU2012/000223	PCT	Novel Small Molecules as Therapeutics	Anxiety
PCT/2012/000216	PCT	Therapeutic Ion Channel Blocking Agents and Methods of Use Thereof	Anxiety
13/461213	United States	Substituted benzofurans, benzothiophenes, benzoselenophenes and indoles and their use as tubulin polymerization inhibotors	TPI
PCT/AU2012/000533	PCT	Manufacture of BNC210	BNC210
PCT/AU2012/000538	PCT	Compounds of Formula (1) and their use in the treatment of autoimmune and inflammatory diseases	Kv1.3
2012902291	Australian Provisional	Combination Therapy – Hypoxia	BNC105

OVERVIEW OF PATENT PORTFOLIO

- 6 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
- 38 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, Standard Chartered Australia Limited and Federal Airports Corporation.

DR DEBORAH RATHJEN BSC (HONS), PHD, MAICD
CEO AND MANAGING DIRECTOR

A seasoned biotech executive of over 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 the development of therapeutics for treatment of central nervous system (CNS) disorders. He is currently President and CEO of a 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 ACA, FAICD
NON-EXECUTIVE DIRECTOR

Mr Tappenden commenced a 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 directorship 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.

BOARD OF DIRECTORS

MR GRAEME KAUFMAN BSC, MBA
NON-EXECUTIVE DIRECTOR

Mr Kaufman has wide ranging experience across the biotechnology sector, spanning scientific, commercial and financial areas. His experience with CSL Limited, Australia's largest biopharmaceutical company included responsibility for all of their manufacturing facilities, and the operation of an independent business division operating in the high technology medical device market. As CSL's General Manager Finance, Mr Kaufman had global responsibility for finance, strategy development, human resources and information technology. Mr Kaufman has also served as an executive director of ASX-listed Circadian Technologies and a non-executive director of Amrad Corporation. He is currently Executive Vice President Corporate Finance with Mesoblast Limited, and a non-executive director of Cellmid Limited.

DR JONATHAN LIM MD
NON-EXECUTIVE DIRECTOR

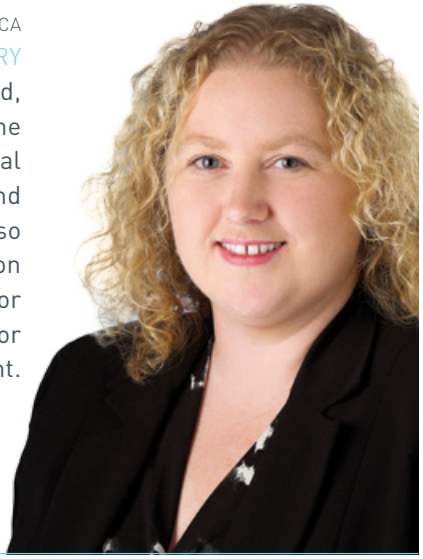
Jonathan Lim, MD is Managing Partner of City Hill Ventures, LLC, which he established in 2010 prior to co-founding Eclipse in early 2011. Dr Lim was formerly President, CEO, and Board Director of Halozyme Therapeutics, Inc. where he grew the company from five employees and a market value of $5 million in May 2003 to 140 employees and peak market capitalization of nearly $1 billion during his tenure. Under Dr Lim's eight years of leadership, the company went public and raised $300 million from financing and corporate partnerships with Roche and Baxter, achieved two U.S. FDA approvals, and built a late stage pipeline of two Phase III, two Phase II, and two Phase I product candidates. Dr Lim's prior experience includes management consulting at McKinsey, NIH Postdoctoral Fellowship at Harvard, and general surgery residency at New York Hospital-Cornell. He has B.S. and M.S. degrees from Stanford, M.D. from McGill, and M.P.H. from Harvard.

MANAGEMENT

MS MELANIE YOUNG BCOM ACA

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Ms Young has over 13 year's experience, with six years in the medical device field, including 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 JOSÉ IGLESIAS MD

CHIEF MEDICAL OFFICER

Dr. Iglesias, commencing employment on 1st November 2012, is a seasoned medical professional with 22 years global experience in the biopharmaceutical industry. He has spent the past six years at Celgene Corporation and its wholly owned subsidiary Abraxis Bioscience as VP of Clinical Development at Celgene with previous roles including CMO and VP of Global Clinical Development and Medical Affairs at Abraxis. Previously, Dr Iglesias worked in several positions at US pharmaceutical giant Eli Lilly over 10 years, including his appointment as Oncology Medical Advisor for the Australia and the Asia Pacific region between 2002 and 2004. A graduate from the Montevideo School of Medicine, Dr. Iglesias has been published more than 50 times and is an active member of ASCO, AACR and ESMO.

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 22 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).

MANAGEMENT

DR ANDREW HARVEY BSC (HONS) PHD

VICE PRESIDENT DRUG DISCOVERY

Dr Andrew Harvey is Vice President Drug Discovery. Dr Harvey is responsible for all chemistry activities in Bionomics' programs. Prior to joining Bionomics in 2009, Dr Harvey was a medicinal chemist at The Walter and Eliza Hall Institute for Medical Research. He was awarded a National Health and Medical Research Council Industry Fellowship to support his research into new treatments for Multiple Sclerosis. He received his PhD and Bachelor of Science (Honours) in the fields of biological and organic chemistry from Canterbury University in New Zealand.

DR GABRIEL KREMMIDIOTIS BSC (HONS) PHD

VICE PRESIDENT RESEARCH & DEVELOPMENT

Dr Gabriel Kremmidiotis has a diverse scientific background spanning the fields of Drug Discovery & Development, Cancer Biology, Immunology, Molecular Genetics and Bioinformatics. Dr Kremmidiotis has a PhD and a Bachelor of Science (Honours) from Flinders University and a Bachelor of Science from The University of Melbourne. Dr Kremmidiotis joined Bionomics in January 2002. Other appointments have included positions at Flinders University, Adelaide University, the Los Alamos National Laboratories and the Adelaide Women's and Children's Hospital. He is the 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 the American Society of Clinical Oncology (ASCO).

DR SUE O'CONNOR PHD

VICE PRESIDENT NEUROSCIENCE RESEARCH

Dr Sue O'Connor graduated from the University of Adelaide, Australia with a PhD in Genetics. With her post-doctoral research at the Hanson Institute, Dr O'Connor moved into the Biotechnology sector, working on drug development projects in the Department of Medicine at Flinders University, Australia. Here, her interest in neuro-psychopharmacology and the development of drugs for the treatment of psychiatric disorders was formed. Since joining the Bionomics team 9 years ago, her major focus has been in CNS drug discovery and development. Dr Sue has identified BNC210, a small molecule with considerable potential as a new treatment for anxiety disorders and has taken the molecule through to the completion of four Phase Ia / Ib clinical trials in Australia and Europe. BNC210 has now been partnered with a US pharmaceutical company for further clinical development.

DR JEREMY SIMPSON BSC (HONS), PHD

VICE PRESIDENT CLINICAL DEVELOPMENT

Dr Jeremy Simpson joined Bionomics in July 2012. He holds a Bachelor of Science (Honours) from Cardiff University and a PhD from Brunel University. Dr Simpson has over 20 years of corporate leadership experience in healthcare, pharma and contract research organisation settings across Australia, New Zealand and the Asia Pacific region. Dr Simpson has worked in clinical development roles with Wellcome Australia, Pharmacia Australia and ICON Clinical Research where he led the Asia Pacific regional team whilst based in Singapore. Most recently, Dr Simpson was Scientific Affairs Director at Fresenius Kabi Australia with responsibility for regulatory affair, medical affairs, quality assurance, clinical development and product reimbursement. In 2011 he was awarded the Fresenius Kabi Asia Pacific Management Team Award 2011.

DR PETER CHU PHD

VICE PRESIDENT US OPERATIONS & CANCER BIOLOGY

Dr. Chu is a seasoned biotech industry professional with 20 years experience in medical research and drug discovery. He is a recognised expert on cancer stem cells, and has also published scientific papers in the areas of cancer therapeutics and tumor immunology. He was the founding CEO of Eclipse Therapeutics, and during his tenure, the company successfully raised a $2M seed investment round and acquired Biogen Idec's cancer stem cell assets. Prior to Eclipse, Dr. Chu was a scientist at Biogen Idec for 9 years, where he led the cancer stem cells research program, and also held various leadership positions on multiple cancer therapeutic antibody programs. Dr. Chu also worked extensively with the business development group to evaluate new licensing and investment opportunities in oncology. Dr. Chu received his doctorate from the Biomedical Sciences Program at the University of California, San Diego, and a master's degree from the University of Toronto. His undergraduate degree was in microbiology and immunology at McGill University in Montreal, Canada.

DR CHRISTOPHER REYES PHD

VICE PRESIDENT RESEARCH AND DEVELOPMENT BIOLOGICS

Christopher Reyes, PhD, brings his experience linking protein biophysics to drug discovery and development to his work at Eclipse. Prior to founding Eclipse, Dr. Reyes was a scientist at Biogen Idec charged with the leading multiple antibody therapeutic and engineering programs. Dr. Reyes has extensive project management experience and is a co- inventor on numerous patent applications covering antibody engineering and therapeutic antibodies. Dr. Reyes received his bachelor's degree in Biophysics from the University of California, Berkeley and performed his graduate studies in Biophysics at the University of California, San Francisco. Dr. Reyes was a postdoctoral fellow at The Scripps Research Institute focused on the X-ray crystallography of integral membrane proteins and led a small drug discovery team focused on overcoming multi-drug resistance pathogens. Dr Reyes has received honours from the National Science Foundation, the Ford Foundation and was a McNair Scholar.

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 is set out below. 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 2012 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 director 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

DIVERSITY

Bionomics' is in the process of implementing a diversity policy. While the key focus of the Diversity Policy and the ASX Corporate Governance Council's recommendations is on promoting the role of women within organisations, the Company recognises that other forms of diversity are also important and will seek to promote and facilitate a range of diversity initiatives throughout the Company beyond gender diversity including setting measurable objectives as necessary.

The Board will ensure that appropriate procedures and measures are introduced to ensure that the Company's diversity commitments are implemented appropriately.

With an extremely limited pool of appropriate candidates for many roles throughout the organisation, the Company considers that it would be detrimental to shareholder interest to recruit on any basis other than merit.

Recommendation 3.4 of the Principles requires ASX listed entities to disclose in the Annual Report the proportion of women in the whole organisation, in senior executive positions and on the Board at the end of year.

	TOTAL	BOARD	SENIOR MANAGEMENT	OTHER
All Staff	42	4	5	33
Female Staff	22	1	2	19
% of total	**52%**	**25%**	**40%**	**58%**

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 Board 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 24 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 the annual financial statement and the half-year financial statement to the Board; 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 27 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.

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 (Neurofit) in France.

CORPORATE GOVERNANCE STATEMENT

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 2012, 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 2012 increased by 67.9% to $6,834,709, predominately attributable to the Ironwood Pharmaceuticals, Inc agreement for commercialising BNC210. Grant funding and government assistance for the period was $3,102,837, with the majority relating to the Research and Development (R&D) Tax Incentive introduced from 1 July 2011. Bionomics expects to be eligible for a cash refund during the next 12 months on lodgement of the relevant returns and has recognised this receivable at 30 June 2012. This compared with revenues of $4,071,798 and grant funding of $64,625 for the year to 30 June 2011. The operating loss after tax of the Group for the year to 30 June 2012 was $3,136,238 compared with the prior year after tax loss of $9,356,497.

The consolidated Group's Statement of Financial Position was strengthened by the sale and leaseback of the Thebarton premises which settled on 13 July 2011 giving net cash inflow of $4.1 million and the licensing of BNC210 to Ironwood Pharmaceuticals, Inc in January 2012. Significant investment totalling $648,797 was made in scientific plant and equipment during the year ended 30 June 2012 (2011: $75,886), enabling the Group to improve efficiencies in the laboratory. The cash position (net of bank overdraft) at 30 June 2012 was $17,288,573 (2011: $16,052,230).

REVIEW OF OPERATIONS

DRUG DEVELOPMENT

BNC105 : A Highly Selective and Potent Vascular Disrupting Agent (VDA) for the Treatment of Solid Tumours

Bionomics has continued to execute a carefully planned clinical trial program for BNC105. The clinical development of BNC105 has undertaken a three-pronged approach involving the use of BNC105 either, in combination with other established methods of cancer chemotherapy treatment, in combination with molecular targeted therapies, or as a monotherapy. The key objective of this approach is to consolidate the safety profile, obtain early evidence of efficacy and delineate the development path.

In the period, two BNC105 clinical trials (in renal cell cancer and mesothelioma) reached key milestones and the BNC105 clinical trial program was expanded to a third clinical trial in women with ovarian cancer.

Bionomics is conducting a US multi-centre Phase II clinical trial of BNC105 in combination with everolimus (Afinitor) in patients with metastatic Renal Cell Carcinoma (RCC). Afinitor is an mTOR inhibitor, which is used as a treatment after patients have failed therapy with Tyrosine Kinase Inhibitors (TKIs). BNC105 represents a potential new paradigm in the treatment of patients with renal cell carcinoma.

In the period, Bionomics announced the completion of the Phase I component of this trial. Twelve patients were enrolled to the Phase I component. A number of patients had completed over 10 cycles of treatment with the BNC105 and Afinitor combination at the time of completion of the Phase I component of the trial and five patients remained on treatment. Currently one patient has completed 15 cycles of treatment and three patients remain on treatment. The results indicate that the recommended dose of Afinitor is well tolerated and supported the use of Afinitor and BNC105 at their full dose levels. Analysis of drug levels indicated no interaction between BNC105 and Afinitor, confirming the compatibility of the drug combination.

In the Phase II clinical trial of BNC105 in patients with malignant pleural mesothelioma, all patients had relapsed following prior chemotherapy with cisplatin and Alimta. Thirty patients were enrolled and treated with BNC105. The overall clinical benefit observed in the trial was 43.3% (13 patients with stable disease or better). One patient demonstrated an objective response with a reduction of 57% in tumour measurement. Twelve patients were classified as stable disease by RECIST. Plasma biomarkers showed significant changes consistent with vascular activity. In addition mesothelin levels, a potential marker for mesothelioma, in the patient showing an objective response achieved a decrease to less than 75% of baseline after one treatment cycle. Two additional patients with stable disease similarly achieved decrease in mesothelin to less than 75% of baseline. The objective tumour response, safety profile and tolerability of BNC105 warrant further research into its integration with established chemotherapy regimens.

Clinical trial data from both the ongoing US trial of BNC105 in patients with RCC and the completed Australian trial in patients with mesothelioma was presented at the annual American Society for Clinical Oncology (ASCO) meeting in Chicago, Illinois.

In May 2012 Bionomics launched a Phase I/II clinical trial of BNC105 in women with ovarian cancer. It is anticipated that up to 134 women will be enrolled at 18 sites across Australia, New Zealand and the United States, including sites in Indiana and Wisconsin. The trial will evaluate BNC105 in combination with current standard therapies carboplatin and gemcitabine. The study will be conducted by the Australian and New Zealand Gynaecological Oncology Group (ANZGOG) working with the National Health and Medical Research Council Clinical Trials Centre. The design of this clinical trial is based on robust preclinical data demonstrating synergy between BNC105 and platinum-based therapies in improving survival rates of animals with solid tumours.

BNC210: A "Next Generation" Treatment for Anxiety and Depression

On 5 January 2012 Bionomics announced the licensing of BNC210 to Cambridge, Massachusetts-based Ironwood Pharmaceuticals, Inc. Under the agreement with Ironwood, Bionomics could receive up to US$345 million pending achievement of certain development and regulatory milestones plus if successful, royalties on sales of products incorporating BNC210. Since the signing of this agreement Ironwood has assigned a large internal team across all the disciplines required to progress the development of BNC210. Work in progress is aimed at an Investigational New Drug (IND) submission to the US FDA to enable US-based clinical trials of BNC210 (IW2143).

DRUG DISCOVERY

Kv1.3 Program: A New Class of Immunomodulators

On 15 June 2012, Bionomics announced that it had terminated its agreement with Merck Serono and that it would pursue a broader range of commercial opportunities for the program within the >$46 billion pa immunomodulators market which includes rheumatoid arthritis, psoriasis as well as Multiple Sclerosis. Bionomics retains sole worldwide rights to develop and commercialise compounds jointly discovered with Merck Serono. There is considerable commercial interest in Kv1.3 as a target and Bionomics will take advantage of this interest in executing a broader partnership strategy for the program.

Alpha 7 Program for Memory Improvement Nears Milestone

Over the period Bionomics increased the resources allocation to the discovery of a well differentiated drug candidate targeting the alpha 7 nicotinic acetylcholine receptor (Alpha 7). The program is very well matched to our ionX® drug discovery platform and the expertise of our European subsidiary Neurofit. Bionomics scientists have already been able to identify compounds which modulate the receptor to restore memory in animals whose memory has been lost through treatment with an agent called scopolamine. Compounds which modulate the function of the Alpha 7 receptor have potential utility in the treatment of Alzheimers Disease, Schizophrenia, Hyperactivity Disorder (ADHD) as well as Multiple Sclerosis and mood and anxiety disorders. This program is nearing the key milestone of drug candidate selection which will see a novel compound enter IND–enabling studies in line with Bionomics partnering strategy for this Program.

New Oncology Programs Fostered

Bionomics continues its close association with the CRC for Cancer Therapeutics. The arrangement with the CRC allows Bionomics to incubate new oncology projects in a cost and time efficient manner. It also provides Bionomics with the opportunity to work with many of the best cancer researchers and clinicians in Australia. Current discovery programs include compounds for the treatment of solid tumours targeting an undisclosed kinase target. In line with Bionomics' objectives, the program is on track to deliver a new drug candidate for IND-enabling studies and subsequent clinical development in FY13.

OUTLOOK

Bionomics is in a sound financial position and is well placed to continue to execute its clinical trials, R&D efforts and business strategy. Bionomics continues to seek opportunities which expand its reach into key markets, in particular the US.

It is anticipated that a number of important R&D milestones will be achieved in FY13 including:

- completion of enrolment in the Phase I component of the BNC105 ovarian cancer trial and completion of enrolment in the BNC105 renal cancer trial.
- identification of an Alzheimers Disease drug candidate for clinical development.
- progress, in collaboration with the CRC for Cancer Therapeutics, in the cancer kinase program with the identification of a novel drug candidate for clinical development.

In addition, funded by our partner Ironwood, BNC210 (IW2143) is anticipated to make good progress in clinical development and Bionomics will continue to work closely with Ironwood. Under the agreement with Ironwood, Bionomics could receive up to US$345 million pending achievement of certain development and regulatory milestones plus if successful, royalties on sales of products incorporating BNC210 and other related compounds.

Our licensing strategy for both our Alpha 7 and Kv1.3 programs is being implemented and Bionomics has a number of active discussions in progress.

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.

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 in 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 2011 - 2012 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, Standard Chartered Australia Limited and Federal Airports Corporation.
Current Directorships (in addition to Bionomics Limited)
Listed: Nil
Other: Mandalay Capital Pty Limited; Kador Group Holdings Pty Limited; Home Source Limited.
Former Listed Directorships in Last Three Years
Nil
Special Responsibilities
Member of Audit and Risk Management Committee
Interests in Shares and Options
4,200,000 ordinary shares in Bionomics Limited
1,000,000 unlisted options over ordinary shares in Bionomics Limited

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 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
Nil
Special Responsibilities
Chief Executive Officer and Managing Director
Interests in Shares and Options
1,533,689 ordinary shares in Bionomics Limited
3,120,000* unlisted options over ordinary shares in Bionomics Limited

*Includes 1,000,000 options granted and vested in August 2012

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: Nil
Other: Director, Buckfast Pty Ltd; Director, Advanced Manufacturing CRC; Director, Intellicomms Pty Ltd, Deputy Chancellor RMIT University, Director RMIT University Vietnam.
Former Listed Directorships in Last Three Years
Director, Metal Storm Limited
Special Responsibilities
Chairman of Audit and Risk Management Committee
Interests in Shares and Options
220,000 ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in Bionomics Limited

Dr Errol De Souza
Non-Executive Director
Director since 28 February 2008
Experience and Expertise
Dr De Souza is a leader in the development of therapeutics for treatment of central nervous system (CNS) disorders. 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).
Former Listed Directorships in Last Three Years
Director of IDEXX Laboratories, Inc (Nasdaq: IDXX), Director of Palatin Technologies, Inc (Amex: PTN); Massachusetts Biotechnology Council.
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 13 year's 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 2012, 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	11	11	4	4
Dr Deborah Rathjen*	11	11	**	**
Mr Trevor Tappenden	11	11	4	4
Dr Errol De Souza	11	11	**	**

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 years ended 30 June 2011 and 30 June 2012.

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 link between the company's performance and the setting of remuneration except as discussed on pages 36 and 37 in relation to options and cash bonuses 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 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	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 2012 are set out further in this report.

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL – 2012

	SHORT-TERM BENEFITS		POST EMPLOYMENT	SHARE-BASED PAYMENTS			
NAME	CASH SALARY AND FEES $	NON-MONETARY BENEFITS $	SUPER-ANNUATION $	SHARES $	OPTIONS $	OPTIONS % OF TOTAL	TOTAL $
Mr Christopher Fullerton	100,917	-	9,083	-	28,659	20.67	**138,659**
Dr Deborah Rathjen[1]	398,600	60,625	15,775	-	140,963	22.88	**615,963**
Mr Trevor Tappenden	68,807	-	6,193	-	1,022	1.34	**76,022**
Dr Errol De Souza	75,000	-	-	-	4,243	5.35	**79,243**
Dr Emile Andriambeloson[2]	188,655	-	-	1,000	20	0.01	**189,675**
Dr Andrew Harvey	169,473	-	15,252	1,000	5,416	2.83	**191,141**
Dr Gabriel Kremmidiotis	208,306	6,919	15,775	1,000	-	-	**232,000**
Ms Melanie Young	147,443	8,520	14,037	1,000	31,341	15.49	**202,341**
TOTALS	**1,357,201**	**76,064**	**76,115**	**4,000**	**211,664**	**12.27**	**1,725,044**

[1] Dr Rathjen's options expense for services performed during the year includes an estimate at 30 June 2012 of the fair value of options granted in August 2012 relating to the commercialisation incentive options approved at the 2011 AGM.

[2] Dr Andriambeloson's cash salary includes a bonus payable of $13,358 relating to the agreed performance objectives of the Neurofit business unit for the year ended 30 June 2012.

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL – 2011

	SHORT-TERM BENEFITS		POST EMPLOYMENT	SHARE-BASED PAYMENTS			
NAME	CASH SALARY AND FEES $	NON-MONETARY BENEFITS $	SUPER-ANNUATION $	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 totalling $5,436 each during the year. Bonuses paid as options in July 2010 were dependent on the satisfaction of the individual's performance criteria. Mr Trevor Thiele was granted options totalling $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.

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 – 5 years commencing 15 October 2010.
- Total remuneration package for the year ended 30 June 2012 of $475,000 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 2012 of $175,297 per annum (excluding options, shares 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 2012 of $184,725 per annum (excluding options and shares), 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 2012 of $231,000 per annum (excluding options and shares), 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 2012 of $170,000 per annum (excluding options and shares) 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 month's 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 2011. 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				
October 2004	19 June 2013	$0.13	$0.1704	19 June 2008
May 2006	7 July 2012	$0.22	$0.1205	7 July 2007
	8 July 2013	$0.22	$0.1260	7 July 2008
	9 July 2014	$0.22	$0.1306	7 July 2009
	10 July 2015	$0.22	$0.1343	7 July 2010
	11 July 2016	$0.22	$0.1373	7 July 2011
November 2006	16 November 2012	$0.30	$0.1147	16 November 2007
	16 November 2013	$0.30	$0.1211	16 November 2008
	16 November 2014	$0.30	$0.1264	16 November 2009
	16 November 2015	$0.30	$0.1307	16 November 2010
	16 November 2016	$0.30	$0.1343	16 November 2011
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
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

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE	VESTING DATE
Granted in prior periods				
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
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
GRANTED IN CURRENT PERIODS				
November 2011	25 November 2016	$0.614	$0.1527	25 November 2011
	25 November 2016	$0.921	$0.0489	15 August 2012
December 2011	12 December 2017	$0.518	$0.2344	12 December 2012
	12 December 2018	$0.518	$0.2487	12 December 2013
	12 December 2019	$0.518	$0.2611	12 December 2014
	12 December 2020	$0.518	$0.2720	12 December 2015
	12 December 2021	$0.518	$0.2818	12 December 2016

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, and since the end of 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
Dr Deborah Rathjen[1]	595,000	25 Nov 2011	90,857	595,000	100%	-
Dr Deborah Rathjen[2]	1,000,000	25 Nov 2011	48,900	1,000,000	100%	-
Ms Melanie Young[3]	500,000	12 Dec 2011	129,798	-	-	-

1) The options vested immediately.
2) The options vested after the end of the financial year after successful achievement of agreed major partnering deal milestone. The fair value is estimated at 30 June 2012.
3) The options vest after completion of a specified service period.

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	340,000	340,000	44,200	-
Dr Gabriel Kremmidiotis	60,000	60,000	12,900	-

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 [1] $	VALUE OF OPTIONS EXERCISED AT THE EXERCISE DATE $	VALUE OF OPTIONS LAPSED AT THE DATE OF LAPSE [2] $
Dr Deborah Rathjen [3]	139,757	113,900	(40,780)
Dr Gabriel Kremmidiotis	-	20,100	(17,560)
Ms Melanie Young	129,798	-	-

1) 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.
2) 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.
3) Includes estimated fair value of options at 30 June 2012 for services performed but not granted until August 2012.

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 industries. 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 2012.

	30 JUNE 2012 $	30 JUNE 2011 $	30 JUNE 2010 $	30 JUNE 2009 $	30 JUNE 2008 $
Revenue	6,834,709	4,071,798	3,848,469	4,296,496	5,256,963
Net Loss before tax	(3,328,896)	(10,106,903)	(8,214,082)	(6,899,183)	(5,142,954)
Net Loss after tax	(3,136,238)	(9,356,497)	(8,214,082)	(6,862,299)	(4,783,917)

	30 JUNE 2012 CENTS	30 JUNE 2011 CENTS	30 JUNE 2010 CENTS	30 JUNE 2009 CENTS	30 JUNE 2008 CENTS
Share price at start of year	55.5	27.0	21.0	34.0	37.0
Share price at end of year	30.0	55.5	27.0	21.0	34.0
Dividends paid	-	-	-	-	-
Basic earnings per share	(0.9)	(2.9)	(2.7)	(2.8)	(2.1)
Diluted earnings per share	(0.9)	(2.9)	(2.7)	(2.7)	(2.1)

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
586,150 ordinary shares of Bionomics were issued during the year ended 30 June 2012 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 27 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 27 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 39.

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

15 August 2012

Deborah Rathjen

Chief Executive Officer and Managing Director
Adelaide

15 August 2012

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

11 Waymouth Street
Adelaide SA 5000
GPO Box 1969
Adelaide SA 5001 Australia

Tel: +61 8 8407 7000
Fax: +61 8407 7001
www.deloitte.com.au

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

15 August 2012

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 2012, 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

P Teale
Partner
Chartered Accountants

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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This financial statement covers both Bionomics Limited ("Bionomics") as an individual entity (note 32) 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 2012

	NOTE	2012 $	2011 $
CONTINUING OPERATIONS			
Revenue	4	6,834,709	4,071,798
Other income	4	3,102,837	64,625
		9,937,546	**4,136,423**
Expenses			
Administrative		2,313,932	2,203,258
Financing costs	5	64,450	305,925
Occupancy		1,417,022	920,906
Compliance		361,872	900,456
Loss on disposal of assets	5	5,824	816,121
Research and development		9,103,342	9,096,660
Loss before tax		**(3,328,896)**	**(10,106,903)**
Income tax benefit	6	192,658	750,406
Loss for the year after income tax from continuing operations		**(3,136,238)**	**(9,356,497)**
Other comprehensive income Exchange differences on translation of foreign operations		(93,612)	(69,203)
Total comprehensive income for the year from continuing operations		**(3,229,850)**	**(9,425,700)**
Loss attributable to: Owners of the Company		**(3,229,850)**	**(9,425,700)**

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	NOTE	2012 CENTS	2011 CENTS
Basic loss per share	31	(0.9)	(2.9)
Diluted loss per share	31	(0.9)	(2.9)

THE ABOVE STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	NOTE	2012 $	2011 $
CURRENT ASSETS			
Cash and cash equivalents	7	17,336,609	16,052,230
Trade and other receivables	8	411,417	7,840,964
Other financial assets	9	36,232	-
Inventories	10	135,284	42,646
Current tax asset	6	360,386	607,846
Other assets	11	3,458,142	342,329
TOTAL CURRENT ASSETS		**21,738,070**	**24,886,015**
NON-CURRENT ASSETS			
Property, plant and equipment	13	773,247	302,704
Intangible assets	14	8,520,206	9,120,180
Deferred tax asset	6	70,665	-
TOTAL NON-CURRENT ASSETS		**9,364,118**	**9,422,884**
TOTAL ASSETS		**31,102,188**	**34,308,899**
CURRENT LIABILITIES			
Trade and other payables	15	2,828,220	1,713,141
Borrowings	17	732,819	2,827,622
Provisions	18	888,808	728,077
Other financial liabilities	16	-	163,484
Other liabilities	19	18,188	47,774
TOTAL CURRENT LIABILITIES		**4,468,035**	**5,480,098**
NON-CURRENT LIABILITIES			
Other payables	15	272,855	50,000
Borrowings	17	443,942	7,402
Provisions	18	18,239	72,219
TOTAL NON-CURRENT LIABILITIES		**735,036**	**129,621**
TOTAL LIABILITIES		**5,203,071**	**5,609,719**
NET ASSETS		**25,899,117**	**28,699,180**
EQUITY			
Issued capital	20	87,834,778	87,690,990
Reserves	21	887,248	694,861
Accumulated losses	22	(62,822,909)	(59,686,671)
TOTAL EQUITY		**25,899,117**	**28,699,180**

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 2012

	ISSUED CAPITAL $	FOREIGN CURRENCY TRANSLATION RESERVE $	SHARE-BASED PAYMENTS RESERVE $	ASSET REVALUATION RESERVE $	ACCUMULATED LOSSES $	TOTAL $
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**
Balance at 1 July 2011	**87,690,990**	**(552,274)**	**1,247,135**	**-**	**(59,686,671)**	**28,699,180**
Loss for the period	-	-	-	-	(3,136,238)	**(3,136,238)**
Exchange differences on translation of foreign operations	-	(93,612)	-	-	-	**(93,612)**
Total comprehensive income for the period	**-**	**(93,612)**	**-**	**-**	**(3,136,238)**	**(3,229,850)**
Recognition of share–based payments	-	-	285,999	-	-	**285,999**
Issue of ordinary shares under Employee Share Option Plan	104,788	-	-	-	-	**104,788**
Issue of ordinary shares, under Employee Share Plan	39,000	-	-	-	-	**39,000**
Balance at 30 June 2012	**87,834,778**	**(645,886)**	**1,533,134**	**-**	**(62,822,909)**	**25,899,117**

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 2012

	NOTE	2012 $	2011 $
Cash flows from operating activities			
Grants received		2,837	64,625
Receipts from customers		5,997,281	3,669,691
Payments to suppliers and employees		(10,515,621)	(12,407,799)
Tax Refund		565,811	-
		(3,949,692)	(8,673,483)
Financing costs		(64,450)	(305,925)
Net cash outflow from operating activities	**28**	**(4,014,142)**	**(8,979,408)**
Cash flows from investing activities			
Interest received		1,123,099	407,748
Payments for purchases of property, plant & equipment		(648,797)	(75,886)
Proceeds from sale of property, plant & equipment		6,388,521	-
Net cash inflow from investing activities		**6,862,823**	**331,862**
Cash flows from financing activities			
Repayment of borrowings		(2,310,658)	(484,128)
Proceeds from borrowings		652,394	-
Net proceeds from share issues		104,788	12,576,521
Net cash (outflow) / inflow from financing activities		**(1,553,476)**	**12,092,393**
Net increase in cash and cash equivalents		**1,295,205**	**3,444,847**
Cash at the beginning of the financial year		16,052,230	12,612,244
Effect of exchange rate changes on the balances of cash held in foreign currency		(10,826)	(4,861)
Cash and cash equivalents at the end of the year	**7**	**17,336,609**	**16,052,230**

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 2012

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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 15 August 2012.

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 accounting policies below. 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 2010-5 'Amendments to Australia Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australia Accounting Standards and Interpretations. The application of AASB 2010-5 has not had any material effect on amounts reported in the Group's consolidated 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
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 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures (2011)'	1 January 2013	30 June 2014

STANDARD / INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits (2011)' and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Account Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	30 June 2014

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 2012.

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.

Service income is recognised when the services are rendered. Rental income is recognised on a straight line basis over the term of the lease.

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

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.

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 and Government Assistance

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.

Government assistance is not recognised until there is reasonable assurance that the Group will be eligible for the assistance and that the income will be received. Government assistance which does not have conditions attached specifically relating to operating activities is recognised as income when it can be reasonably assured that it will be received.

Certain forms of government assistance cannot reasonably have a value placed upon them. The nature and extent of the government assistance is disclosed as well as reference to any contingent component that has not been recognised as the end of the reporting period.

(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.

(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.

(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 2011. 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.

Share options that have been issued, but due to having performance criteria, have not yet been granted or vested, are required to have their fair value estimated at the end of the reporting period and recognised as an expense relating to the period in which the services were performed.

(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.

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 (2011: $5,147,990).

The total carrying amount of intangibles at balance date was $8,520,206 (2011: $9,120,180).

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

Revenue for Licensing and Research Arrangements

The Group enters into arrangements for licensing and research. For the financial year ended 30 June 2012, note 4 includes US$3 million representing the fair value of license fees received from a Development and License Agreement for the exclusive use of the Group's intellectual property. The Group has no remaining obligations to perform in respect of this fee. Management analyse the separate elements of each contract to determine at which stage the revenue for that element would need to be recognised.

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 PROFIT YEAR ENDED	
	30 June 2012 $	**30 June 2011 $**	**30 June 2012 $**	**30 June 2011 $**
Drug discovery	1,088,479	1,712,195	(1,379,381)	(1,553,818)
Drug development	3,555,621	130,399	(203,030)	(5,111,842)
Contract services	1,801,887	4,198,817	8,024	323,920
	6,445,987	**6,041,411**	**(1,574,387)**	**(6,341,740)**
Less: intercompany revenue included in contract services	(917,543)	(2,620,550)	–	–
Investment & other revenue	1,306,265	650,937	1,306,265	650,937
	6,834,709	**4,071,798**	**(268,122)**	**(5,690,803)**
Unallocated financing costs			(56,831)	(109,623)
Central administration costs			(3,003,943)	(4,306,477)
Loss before income tax			**(3,328,896)**	**(10,106,903)**

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:

	30 June 2012 $	30 June 2011 $
ASSETS		
Drug discovery	3,093,726	1,858,722
Drug development	8,578,963	6,958,258
Contract services	1,712,836	2,197,506
	13,385,525	**11,014,486**
Unallocated assets	17,716,663	23,294,413
Total assets	**31,102,188**	**34,308,899**

	30 June 2012 $	30 June 2011 $
LIABILITIES		
Contract services (excluding intercompany liabilities)	855,097	550,941
Unallocated liabilities	4,347,974	5,058,778
Total liabilities	**5,203,071**	**5,609,719**

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 2012 $	30 June 2011 $
Contract services	20,173	11,141
Unallocated	628,623	64,745
	648,796	**75,886**

(c) Other Segment Information

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

	INTEREST EXPENSE YEAR ENDED		DEPRECIATION AND AMORTISATION YEAR ENDED	
	30 June 2012 $	30 June 2011 $	30 June 2012 $	30 June 2011 $
Drug discovery	-	115,007	208,887	312,969
Drug development	-	66,039	240,388	299,893
Contract services	7,619	15,256	213,275	232,996
Unallocated	56,831	109,623	34,167	96,648
	64,450	**305,925**	**696,717**	**942,506**

(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 2012 $	30 June 2011 $
Contract services	884,344	1,578,267
Collaboration income	4,254,715	1,495,414
Interest	1,035,947	477,516
Other	659,703	520,601
	6,834,709	**4,071,798**

(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 2012 $	30 June 2011 $	30 June 2012 $	30 June 2011 $
Australia	5,950,365	2,493,531	8,577,038	8,437,682
France	884,344	1,578,267	716,415	985,202
	6,834,709	**4,071,798**	**9,293,453**	**9,422,884**

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

Included in revenues for Drug discovery are revenues of $932,598 (2011: $1,495,414) from one party and in drug development $3,341,346 (2011: nil) from one party.

NOTE 4: REVENUE AND OTHER INCOME

	2012 $	2011 $
REVENUE		
Revenue from rendering of services	856,200	1,560,868
Royalties	135,866	130,399
Collaboration income	4,254,715	1,495,414
Interest received/receivable on bank deposits	1,035,947	477,516
Rent received or receivable	282,068	280,704
Other revenue	269,913	126,897
	6,834,709	**4,071,798**

NOTE 4: REVENUE AND OTHER INCOME CONT.

	2012 $	2011 $
OTHER INCOME		
Government EMDG grant	-	45,574
Foreign Government grant	2,837	19,051
R&D Tax Incentive*	3,100,000	-
	3,102,837	**64,625**

*Estimate of R&D Tax Incentive based on eligible Australian expenditure only. Potentially eligible overseas expenditure is awaiting AusIndustry approval pending review of applications submitted prior to 30 June 2012.

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

NOTE 5: EXPENSES

	2012 $	2011 $
Loss before income tax benefit includes the following specific expenses:		
Financing costs		
- Interest paid/payable on bank and other loans	45,125	301,775
- Interest obligations under finance leases	19,325	4,150
	64,450	**305,925**
Depreciation		
- Administrative plant and equipment	34,616	38,025
- Scientific plant and equipment	134,368	72,323
- Building fitouts	-	121,831
- Building	-	168,722
	168,984	**400,901**
Amortisation of non-current assets		
- Intellectual property	527,733	541,605
Rental expense on operating leases		
- Minimum lease payments	894,252	227,134
Employment benefit expenses of:		
- Wages and salaries	3,403,058	3,261,810
- Superannuation	497,457	435,467
- Share-based payments	324,999	82,471
	4,225,514	**3,779,748**
Loss on disposal of assets		
- Plant and equipment	5,824	16,539
- Land and building	-	799,582
	5,824	**816,121**
Foreign currency gain/(loss)	65,321	413,125

NOTE 6: INCOME TAXES

(a) Income Tax Recognised in Profit and Loss	**2012 $**	**2011 $**
CURRENT TAX		
Current tax benefit in respect of the current year	(121,993)	(750,406)
	(121,993)	**(750,406)**
DEFERRED TAX		
Deferred tax recognised in current year	(70,665)	-
Total income tax benefit	(70,665)	-
	(192,658)	**(750,406)**
(b) Reconciliation to Accounting Loss		
Loss from continuing operations	(3,328,896)	(10,106,903)
Tax at the Australian tax rate of 30% (2011: 30%)	(998,669)	(3,032,071)
Tax effect of non-deductible / non-assessable amounts		
- Amortisation of intangibles	101,893	101,893
- Foreign exchange reversed on consolidation	(16,292)	(17,826)
- Exempt income from government assistance	(930,000)	-
- Entertainment	1,393	1,373
- Share-based payments	116,940	24,741
- Research and development expenditure	2,033,747	(711,039)
Effect of different tax rates in other jurisdictions	(7,060)	-
Effect on unused tax losses, not previously recognised, in the current period	(1,705,451)	-
Adjustment to prior year unused tax losses	1,287,213	-
Deferred tax assets not recognised in current period	45,621	3,632,929
Tax benefit of research and development credit in France	(121,993)	(750,406)
	(192,658)	**(750,406)**
c) Current Tax Balances		
CURRENT TAX ASSETS		
Tax refund receivable	360,386	607,846
	360,386	**607,846**

NOTE 6: INCOME TAXES CONT.

(d) Deferred Tax Balances	**OPENING BALANCE**	**CHARGED TO INCOME**	**CHARGED TO EQUITY**	**OTHER COMPRE-HENSIVE INCOME**	**CLOSING BALANCE**
2012					
Loans and receivables	258,857	3,524	-	-	262,381
Other financial assets	-	(10,870)	-	-	(10,870)
Prepayments / accrued income	(28,801)	26,146	-	-	(2,655)
PP & E	(28,213)	5,762	-	-	(22,451)
Share issue expenses	222,737	(38,419)	-	-	184,318
Intangible patents and trademarks	256,493	78,099	-	-	334,592
Other intangibles	218,383	-	-	-	218,383
Accrued expenses	60,587	(50,192)	-	-	10,395
Employee entitlements	204,673	31,571	-	-	236,244
	1,164,716	**45,621**	**-**	**-**	**1,210,337**
Unused Tax Losses					
Revenue	21,496,973	(1,642,830)	-	-	19,854,143
Withholding tax	213,015	-	-	-	213,015
	21,709,988	**(1,642,830)**	**-**	**-**	**20,067,158**
Not recognised in current year	22,874,704	(1,667,874)	-	-	21,206,830
Net balance	**-**	**70,665**	**-**	**-**	**70,665**
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	**-**	**-**	**-**	**-**	**-**

NOTE 6: INCOME TAXES CONT.

	2012 $	2011 $
(e) Unrecognised Temporary Differences (including Tax Losses)		
The following deferred tax assets have not been brought to account as assets:		
Unused revenue tax losses (no set expiry period)	19,783,478	21,496,973
Deductible temporary differences (no set expiry period)	1,210,337	1,164,716
Unused foreign withholding tax credits (expire July 2013)	213,015	213,015
	21,206,830	**22,874,704**

(f) 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

	2012 $	2011 $
CURRENT		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the balance sheet as follows:		
Cash at bank and on hand	3,207,319	15,058,319
Deposits at call	14,129,290	993,911
	17,336,609	**16,052,230**

Restricted deposits at call are held as security and are not available for use (see note 17):

- Commercial bill line $550,000
- Rental guarantee $379,500
- Lease line $150,000

NOTE 8: TRADE AND OTHER RECEIVABLES

	2012 $	2011 $
CURRENT		
Trade receivables	233,985	473,289
Allowance for doubtful debts	-	-
	233,985	**473,289**
Other receivables	177,432	222,937
Sale of building receivable (i)	-	7,144,738
	411,417	**7,840,964**

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

NOTE 8: TRADE AND OTHER RECEIVABLES CONT.

	2012 $	2011 $
Movement in the Allowance for Doubtful Debts		
Balance at the beginning of the year	-	3,039
Impairment losses recognised on receivables	-	-
Amounts written off during the year as uncollectible	-	(3,039)
Balance at the end of the year	**-**	**-**

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 2012.

NOTE 9: OTHER FINANCIAL ASSETS

	2012 $	2011 $
Financial Assets Carried at Fair Value Through Profit or Loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships	**36,232**	**-**

NOTE 10: INVENTORIES

	2012 $	2011 $
CURRENT		
Raw materials and stores – at cost	**135,284**	**42,646**

NOTE 11: OTHER ASSETS

	2012 $	2011 $
CURRENT		
Prepayments	349,290	246,325
Accrued interest and grants receivable / government assistance (note 4)	3,108,852	96,004
	3,458,142	**342,329**

NOTE 12: 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**	**2012**	**2011**
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

NOTE 13: 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 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 1 July 2011	**415,001**	**1,705,309**	**-**	**-**	**87,500**	**2,207,810**
Additions	34,099	614,697	-	-	-	648,796
Disposals	(42,423)	(58,891)	-	-	-	(101,314)
Foreign currency exchange differences	(13,777)	(7,002)	-	-	-	(20,779)
Gross carrying amount at 30 June 2012	**392,900**	**2,254,113**	**-**	**-**	**87,500**	**2,734,513**
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 1 July 2011	**(311,887)**	**(1,505,719)**	**-**	**-**	**(87,500)**	**(1,905,106)**
Disposals	39,229	56,262	-	-	-	95,491
Foreign currency exchange differences	13,128	4,205	-	-	-	17,333
Depreciation (note 5)	(34,616)	(134,368)	-	-	-	(168,984)
Accumulated depreciation amount at 30 June 2012	**(294,146)**	**(1,579,620)**	**-**	**-**	**(87,500)**	**(1,961,266)**
Net carrying amounts 30 June 2011	**103,114**	**199,590**	**-**	**-**	**-**	**302,704**
Net carrying amounts 30 June 2012	**98,754**	**674,493**	**-**	**-**	**-**	**773,247**

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

Non-Current Assets Pledged as Security
Refer to note 17 for information on non-current assets pledged as security by the Company.

NOTE 14: INTANGIBLE ASSETS

	GOODWILL $	INTELLECTUAL PROPERTY $	TOTAL $
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 1 July 2011	**5,147,990**	**6,806,632**	**11,954,622**
Foreign currency exchange differences	-	(151,550)	(151,550)
Gross carrying amount at 30 June 2012	**5,147,990**	**6,655,082**	**11,803,072**
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 1 July 2011	**-**	**(2,834,442)**	**(2,834,442)**
Foreign currency exchange differences	-	79,309	79,309
Amortisation (note 5)	-	(527,733)	(527,733)
Accumulated amortisation amount at 30 June 2012	**-**	**(3,282,866)**	**(3,282,866)**
Net carrying amounts 30 June 2011	**5,147,990**	**3,972,190**	**9,120,180**
Net carrying amounts 30 June 2012	**5,147,990**	**3,372,216**	**8,520,206**

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 $0.7m to $1.2m. 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 are 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 (reporting segments) identified in note 3.

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:

	2012 $	2011 $
Drug discovery	-	-
Drug development	5,147,990	5,147,990
Contract services	-	-

NOTE 14: INTANGIBLE ASSETS CONT.

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 and a discount rate of 15% per annum (2011: 15% 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 and a discount rate of 15% per annum (2011: 15% 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 0% (2011: 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 15: TRADE AND OTHER PAYABLES

	2012 $	2011 $
CURRENT		
Trade payables	1,990,975	1,194,005
Accrued expenses	837,245	519,136
	2,828,220	**1,713,141**
NON-CURRENT		
Other payables	**272,855**	**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 16: OTHER FINANCIAL LIABILITIES

	2012 $	2011 $
Financial Liabilities Carried at Fair Value Through Profit or Loss (FVTPL)		
Held for trading derivatives not designated in hedge accounting relationships	**-**	**163,484**

NOTE 17: BORROWINGS

	2012 $	2011 $
Secured – at Amortised Cost		
Bank overdrafts	48,036	-
Finance lease liabilities (i)	578,725	20,836
Building loan agreement (ii)	-	2,264,188
Bank loan (iii)	550,000	550,000
	1,176,761	**2,835,024**
Disclosed in the financial statements as:		
Current liabilities	732,819	2,827,622
Non-current liabilities	443,942	7,402
	1,176,761	**2,835,024**

(i) the lease lines are secured by the leased scientific equipment (refer note 25) and have an average interest rate of per annum 7.14% (2011: 9.60% per annum) and terms of three to five years.
(ii) the ten year building loan agreement with Land Management Corporation was secured by the land and building (refer note 13) 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 2012 of the Group's bank overdraft is $2,181 (2011: $54,333). There is no unused facility in relation to 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 23.

NOTE 18: PROVISIONS

	2012 $	2011 $
CURRENT		
Employee benefits	**888,808**	**728,077**
NON-CURRENT		
Employee benefits	**18,239**	**72,219**

NOTE 19: OTHER LIABILITIES

	2012 $	2011 $
CURRENT		
Unearned income	18,188	47,774
	18,188	**47,774**

NOTE 20: ISSUED CAPITAL

	2012 SHARES	2011 SHARES
(a) Issued and Paid-Up Capital		
Ordinary shares – fully paid	345,384,619	344,731,779

NOTE 20: ISSUED CAPITAL CONT.

DATE	DETAILS	NUMBER OF SHARES	ISSUE PRICE	$
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**
	Share issue – ESOP option exercise	340,000	$0.13	44,200
	Share issue – ESOP option exercise	90,000	$0.215	19,350
	Share issue – ESOP option exercise	35,000	$0.22	7,700
	Share issue – ESOP option exercise	54,000	$0.24	12,960
	Share issue – ESOP option exercise	30,000	$0.28	8,400
	Share issue – ESOP option exercise	5,150	$0.29	1,494
	Share issue – ESOP option exercise	15,000	$0.2976	4,464
	Share issue – ESOP option exercise	12,000	$0.36	4,320
	Share issue – ESOP option exercise	5,000	$0.38	1,900
	Share issue – ESP	66,690	$0.5848	39,000
30 June 2012		**345,384,619**		**87,834,778**

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.

(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 issued.

(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
Feb-03	Feb-13	$0.43	10,000	$0.19
Jan-04	Jan-13	$0.30	5,000	$0.21
	Jan-14	$0.30	5,000	$0.21

NOTE 20: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Mar-04	Mar-13	$0.37	7,000	$0.15
	Mar-14	$0.37	7,000	$0.16
	Mar-13	$0.38	5,000	$0.15
	Mar-14	$0.38	5,000	$0.16
Sept-04	Nov-12	$0.24	200,000	$0.13
	Nov-13	$0.24	200,000	$0.14
Oct-04	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-13	$0.24	45,000	$0.14
	Jan-14	$0.24	45,000	$0.14
	Jan-15	$0.24	45,000	$0.15
	Jan-16	$0.24	45,000	$0.15
May-06	Jul-12	$0.22	45,000	$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
Oct-07	Oct-12	$0.29	166,100	$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	125,000	$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	18,000	$0.17
	Jul-15	$0.36	18,000	$0.18
	Jul-16	$0.36	18,000	$0.19
	Jul-17	$0.36	18,000	$0.19
	Jul-18	$0.36	18,000	$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

NOTE 20: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Nov-08	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	$0.07
	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	10,000	$0.06
	Nov-15	$0.28	10,000	$0.05
	Nov-16	$0.28	10,000	$0.06
	Nov-17	$0.28	20,000	$0.06
	Nov-18	$0.28	20,000	$0.07
Jan-09	Jan-14	$0.30	165,000	$0.05
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
Jun-09	Jun-14	$0.25	115,200	$0.12
	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	$0.11
	Nov-16	$0.30	100,000	$0.12
	Nov-17	$0.30	100,000	$0.13
	Nov-18	$0.30	100,000	$0.14
	Nov-19	$0.30	100,000	$0.14
Jul-10	July-15	$0.32	90,000	$0.12
	Jul-16	$0.32	10,000	$0.11
	Jul-17	$0.32	10,000	$0.12
	Jul-18	$0.32	10,000	$0.13
	Jul-19	$0.32	10,000	$0.13
	Jul-20	$0.32	10,000	$0.14
Nov-10	Nov-15	$0.31	100,000	$0.09
	Nov-16	$0.31	100,000	$0.10
	Nov-17	$0.31	100,000	$0.11
	Nov-18	$0.31	100,000	$0.12
	Nov-19	$0.31	100,000	$0.12
Nov-11	Nov-16	$0.61	95,000	$0.15
	Nov-16	$0.61	500,000	$0.15
	Aug-17	$0.92	1,000,000	$0.05*
Dec-11	Dec-17	$0.52	100,000	$0.23
	Dec-18	$0.52	100,000	$0.25
	Dec-19	$0.52	100,000	$0.26
	Dec-20	$0.52	100,000	$0.27
	Dec-21	$0.52	100,000	$0.28

NOTE 20: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Feb-12	Feb-18	$0.52	5,000	$0.20
	Feb-19	$0.52	5,000	$0.21
	Feb-20	$0.52	5,000	$0.22
	Feb-21	$0.52	5,000	$0.23
	Feb-22	$0.52	5,000	$0.24
Mar-12	Mar-18	$0.51	5,000	$0.20
	Mar-19	$0.51	5,000	$0.21
	Mar-20	$0.51	5,000	$0.22
	Mar-21	$0.51	5,000	$0.23
	Mar-22	$0.51	5,000	$0.24
Jun-12	Jun-18	$0.34	13,000	$0.11
	Jun-19	$0.34	13,000	$0.12
	Jun-20	$0.34	13,000	$0.13
	Jun-21	$0.34	13,000	$0.13
	Jun-22	$0.34	13,000	$0.14
			8,865,900	

* Estimated fair value at 30 June 2012, vested August 2012

Reconciliation of ESOP:

	2012		2011	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance at beginning of financial year	7,766,715	$0.31	8,900,682	$0.31
Granted during the financial year	2,210,000	$0.72	1,140,000	$0.32
Forfeited during the financial year	(8,000)	$0.36	(510,800)	$0.32
Exercised during the financial year	(586,150)	$0.18	(1,372,500)	$0.23
Expired during the financial year	(516,665)	$0.52	(390,667)	$0.68
Closing balance at 30 June	**8,865,900**	**$0.40**	**7,766,715**	**$0.31**

Reconciliation of other unlisted options:

	2012		2011	
	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
Exercised during the financial year	-	-	(5,000)	$0.22
Closing balance at 30 June	**-**	**-**	**-**	**-**

NOTE 20: ISSUED CAPITAL CONT.

ESOP options exercised during the financial year:

SERIES	NUMBER EXERCISED	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE
1-Sep-04	20,000	25-Nov-11	$0.440
13-Jan-06	10,000	12-Dec-11	$0.530
12-Jan-07	10,000	12-Dec-11	$0.530
	5,000	13-Dec-11	$0.525
	5,000	15-Dec-11	$0.540
13-Jan-06	4,000	11-Jan-12	$0.550
12-Jan-07	5,000	11-Jan-12	$0.550
	5,000	11-Jan-12	$0.550
	60,000	11-Jan-12	$0.550
21-Nov-08	2,142	11-Jan-12	$0.550
	3,571	20-Jan-12	$0.495
	2,501	30-Jan-12	$0.470
	1,786	15-Feb-12	$0.465
	10,000	15-Feb-12	$0.465
	10,000	15-Feb-12	$0.465
12-Jan-09	3,024	15-Feb-12	$0.465
13-Jan-09	20,000	2-Mar-12	$0.445
11-Jan-08	5,000	2-Mar-12	$0.445
12-Jan-09	5,000	2-Mar-12	$0.445
	1,976	27-Mar-12	$0.480
18-Oct-04	340,000	13-Apr-12	$0.465
1-Jul-08	4,000	2-May-12	$0.415
1-Jul-08	4,000	2-May-12	$0.415
1-Jul-08	4,000	2-May-12	$0.415
12-Jan-09	5,000	2-May-12	$0.415
1-May-06	20,000	12-Jun-12	$0.305
	5,000	12-Jun-12	$0.305
	5,000	12-Jun-12	$0.305
	5,000	14-Jun-12	$0.310
4-Oct-07	5,150	14-Jun-12	$0.310
	586,150		

	2012 NUMBER	2011 NUMBER
Unlisted Options Vested and Exercisable at the Reporting Date*	**7,185,660**	**5,682,355**

(iii) Weighted averages

The weighted average remaining contractual life of any unlisted share options outstanding at the end of the year is 3.6 years (2011: 5.5 years).

The assessed fair value at grant date of options granted during the year ended 30 June 2012 is outlined in the Remuneration Report on page 13. The share price at grant date of these options ranged between $0.30 and $0.58 (2011: $0.26 and $0.31). The expected average price volatility of the company shares was 60% (2011: 57.02%). Expected dividend yield was 0% (2011: 0%) and the average risk free interest rate used was 3.51% (2011: 5.18%). Additional details on options granted in prior years are available in those year's Annual Reports.

* Includes 1,000,000 options granted August 2012 that have been recognised during the year ended 30 June 2012 using an estimated fair value for services performed during the year.

NOTE 21: 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.

	2012 $	2011 $
Opening balance	(552,274)	(483,071)
Adjustment arising from the translation of foreign controlled entity's financial statements	(93,612)	(69,203)
Closing balance	**(645,886)**	**(552,274)**

(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.

	2012 $	2011 $
Opening balance	1,247,135	1,164,664
Option expense	285,999	82,471
Closing balance	**1,533,134**	**1,247,135**

(c) Asset Revaluation Reserve

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

	2012 $	2011 $
Opening balance	-	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	**-**	**-**
Total reserves	**887,248**	**694,861**

NOTE 22: ACCUMULATED LOSSES

	2012 $	2011 $
Balance at the beginning of the year	(59,686,671)	(52,835,683)
Net loss for the year	(3,136,238)	(9,356,497)
Transfer from asset revaluation reserve	-	2,505,509
Balance at the end of the year	**(62,822,909)**	**(59,686,671)**

NOTE 23: 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 2011. The capital structure of the Group consists of debt, which includes borrowings (note 17), 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 20, 21 and 22 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.

	2012 $	2011 $
Categories of Financial Instruments		
Financial assets		
Loans and receivables	411,417	8,448,810
Cash and cash equivalents	17,336,609	16,052,230
Fair value through profit or loss (FVTPL)		
Held for trading	36,232	-
	17,784,258	**24,501,040**
Financial liabilities		
Amortised cost	4,081,133	4,341,289
Fair value through profit or loss (FVTPL)		
Held for trading	-	163,484
	4,081,133	**4,504,773**
Reconciliation to total assets		
Financial assets (as above)	17,784,258	24,501,040
Non-financial assets	13,317,930	9,807,859
	31,102,188	**34,308,899**
Reconciliation to total liabilities		
Financial liabilities (as above)	4,081,133	4,504,773
Non-financial liabilities	1,121,938	1,104,946
	5,203,071	**5,609,719**

(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 Audit and Risk Management 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 CEO and ARM Committee, 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	
	2012 $	2011 $	2012 $	2011 $
Euro	1,052,732	557,992	1,642,171	2,198,595
USD	681,961	242,250	389,194	398,013

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	
	2012 $	2011 $	2012 $	2011 $
Profit or loss	-	542 (i)	26,615	(14,160) (ii)
Equity	(53,585)	(149,688) (iii)	-	-

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

(ii) this is mainly attributable to the exposure to outstanding USD net assets 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.

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

The sensitivity analysis may not represent the quantum of 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.

NOTE 23: FINANCIAL INSTRUMENTS CONT.

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 Australia 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	
	2012	2011	2012 FC	2011 FC	2012 $	2011 $	2012 $	2011 $
EURO (Sell)								
3 – 6 months	-	0.7295	-	(400,000)	-	(548,321)	-	1,089
US (Buy)								
Less than 3 months	1.0457	0.9633	2,000,000	1,500,000	1,912,905	1,557,190	50,158	(157,430)
3 – 6 months	0.9568	1.0336	250,000	500,000	261,288	483,746	(13,926)	(7,143)
							36,232	**(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.

(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.

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 2012 would increase / (decrease) by $73,443 (2011: increase / (decrease) by $56,276). 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 17 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 $
2012							
Non–interest bearing		2,681,517	-	-	-	-	2,681,517
Forward exchange contracts (payable)		487,805	1,425,100	261,288	-	-	2,174,193
Forward exchange contracts (receivable)		(493,754)	(1,469,309)	(247,362)	-	-	(2,210,425)
Finance lease liability	7.14	13,387	38,388	119,670	498,443	-	669,888
Fixed interest rate instruments	4.31	550,000	-	-	-	-	550,000
TOTAL		**3,238,955**	**(5,821)**	**133,596**	**498,443**	**-**	**3,865,173**
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	3,8 13	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**

NOTE 24: 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

(c) Key Management Personnel Compensation

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

	2012 $	2011 $
Short-term employee benefits	1,433,265	1,421,011
Post-employment benefits	76,115	75,343
Share-based payments	215,664	124,124
Total key management personnel compensation	**1,725,044**	**1,620,478**

NOTE 25: COMMITMENTS FOR EXPENDITURE

(a) Finance Leases

The Group leases scientific equipment under finance leases. The average lease term is four years (2011: 3 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 7.1% to 8.9% (2011: 8.9% to 9.8%) per annum.

	MINIMUM LEASE PAYMENTS		PRESENT VALUE OF LEASE PAYMENTS	
	2012 $	2011 $	2012 $	2011 $
Finance Lease Liabilities				
Within one year	171,445	13,434	134,783	13,434
Later than one year but not greater than five	498,443	9,032	443,942	7,402
	669,888	**22,466**	**578,725**	**20,836**
Future finance charges	(91,163)	(1,630)	-	-
Present value of minimum lease payments	**578,725**	**20,836**	**578,725**	**20,836**

NOTE 25: COMMITMENTS FOR EXPENDITURE CONT.

	2012 $	2011 $
Represented in the financial statements (note 17) by:		
Current borrowings	134,783	13,434
Non-current borrowings	443,942	7,402
	578,725	**20,836**

(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.

	2012 $	2011 $
PAYMENTS RECOGNISED AS AN EXPENSE		
Minimum lease payments	894,252	227,134

NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
Within one year	885,505	785,826
Later than one year but not greater than five	3,745,267	2,987,702
Later than five years	3,531,191	4,246,773
Minimum lease payments	**8,161,963**	**8,020,301**

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 $7,220,077 (2011: $7,910,077), and are considered market related.

(c) Rental Agreements (this was (b) in the Word Document

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).

	2012 $	2011 $
Future Rental Income Receivable		
Within one year	173,219	219,264
Later than one year but not greater than five	157,870	-
	331,089	**219,264**

NOTE 26: 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 27: REMUNERATION OF AUDITORS

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

	2012 $	2011 $
Auditor of the Parent Entity		
Audit or review of the financial report	110,432	119,920
Tax compliance including preparation of the income tax return	16,900	22,457
Other non-audit services	12,805	-
	140,137	**142,377**

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 28: CASH FLOW INFORMATION

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

	2012 $	2011 $
Loss after income tax	(3,136,238)	(9,356,497)
Items in loss		
- Depreciation and amortisation	696,717	942,506
- Share based payments	324,999	82,471
- Income tax benefit	(192,658)	(750,406)
- Net unrealised foreign exchange differences	(145,655)	9,241
- Interest received and receivable	(1,123,099)	(477,516)
Changes in operating assets and liabilities		
- Decrease/(Increase) in debtors and other assets	(1,495,733)	265,073
- Decrease/(Increase) in other operating assets	(111,830)	51,079
- Decrease/(Increase) in inventory	(96,413)	70,429
- Movement in provisions	101,120	128,974
- Increase/(Decrease) in unearned income	(33,815)	(22,622)
- Increase/(Decrease) in creditors and accruals	1,198,463	77,860
Net cash outflows from operating activities	**(4,014,142)**	**(8,979,408)**

NOTE 29: NON-CASH FINANCING ACTIVITIES

	2012 $	2011 $
Acquisition of equipment under a finance lease	648,796	-
	648,796	**-**

NOTE 30: LOSS PER SHARE

	2012 CENTS	2011 CENTS
Basic loss per share	(0.9)	(2.9)
Diluted loss per share	(0.9)	(2.9)

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.

	2012 $	2011 $
Loss Per Share (Basic and Diluted):		
Loss after tax for the year	(3,136,238)	(9,356,497)

	2012 NUMBER	2011 NUMBER
Weighted average number of shares - Basic		
Weighted average number of ordinary shares used in calculating basic loss per share:	**344,928,141**	**321,578,330**
Weighted average number of shares – Diluted		
Weighted average number of ordinary shares used in calculating basic loss per share:	344,928,141	321,578,330
Shares deemed to be issued for no consideration in respect of:		
- Employee options	2,060,462	2,262,295
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**346,988,603**	**323,840,625**

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.

	2012 NUMBER	2011 NUMBER
Employee options	2,155,000	313,665

NOTE 31: 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 12.

(b) Key Management Personnel

Disclosures relating to compensation of key management personnel are set out in note 24 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 2012, the following transactions occurred between the Group and its other related parties:

- research and development services between the parent and subsidiary entities totalled $917,543 (2011: $2,620,550).
- corporate support fees were charged between the Group's entities of $281,356 (2011: $369,985) 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 $755,710 (2011: $1,509,067) 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.

NOTE 31: RELATED PARTY TRANSACTIONS CONT.

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.

2012 OPTIONS NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSA-TION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT YEAR END	VESTED AND EXERCISABLE AT YEAR END*
Mr Christopher Fullerton	1,000,000	-	-	-	1,000,000	400,000
Dr Deborah Rathjen	1,965,000	1,595,000	(340,000)	(100,000)	3,120,000	3,120,000
Mr Trevor Tappenden [1]	500,000	-	-	-	500,000	500,000
Dr Errol De Souza	500,000	-	-	-	500,000	400,000
Dr Emile Andriambeloson	325,800	-	-	-	325,800	325,800
Dr Andrew Harvey	295,000	-	-	-	295,000	195,000
Dr Gabriel Kremmidiotis	245,000	-	(60,000)	(40,000)	145,000	145,000
Ms Melanie Young	-	500,000	-	-	500,000	-
	4,830,800	**2,095,000**	**(400,000)**	**(140,000)**	**6,385,800**	**5,085,800**

2011 OPTIONS NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSA-TION	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
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**

NOTE 31: RELATED PARTY TRANSACTIONS CONT.

[1] Held by Kelso Investments Australia Pty Ltd
* Includes 1,000,000 options vested August 2012 to Dr Deborah Rathjen for services performed during the year
** Includes removal from table at date person resigned

(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:

2012 SHARES NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	RECEIVED DURING THE YEAR UPON EXCERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT YEAR END
Mr Christopher Fullerton [2]	4,825,020	-	-	(625,020)	4,200,000
Dr Deborah Rathjen	1,343,689	-	340,000	(150,000)	1,533,689
Mr Trevor Tappenden [3]	245,899	-	-	(25,899)	220,000
Dr Errol De Souza	116,698	-	-	-	116,698
Dr Emile Andriambeloson	2,889	1,710	-	-	4,599
Dr Andrew Harvey	126,315	1,710	-	-	128,025
Dr Gabriel Kremmidiotis	112,577	1,710	60,000	-	174,287
Ms Melanie Young	-	1,710	-	17,000	18,710
	6,773,087	**6,840**	**400,000**	**(783,919)**	**6,396,008**

2011 SHARES NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS COMPENSATION	RECEIVED DURING THE YEAR UPON EXCERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR **	BALANCE AT YEAR END
Mr Christopher Fullerton [2]	4,825,020	-	-	-	4,825,020
Dr Deborah Rathjen	1,188,889	-	437,300	(282,500)	1,343,689
Mr Trevor Tappenden [3]	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 [4] (resigned 13 May 2011)	100,000	-	-	(100,000)	-
	6,718,287	**-**	**437,300**	**(382,500)**	**6,773,087**

[2] Held by Mandalay Capital Pty Ltd
[3] Held by Kelso Investments Australia Pty Ltd
[4] Held by Thiele Investments Pty Ltd
** Includes removal from table at date person resigned

NOTE 31: RELATED PARTY TRANSACTIONS CONT.

(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 2012.

(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 32: 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.

FINANCIAL POSITION

	YEAR ENDED 30 JUNE 2012	YEAR ENDED 30 JUNE 2011
Assets		
Current assets	21,566,896	25,171,780
Non-current assets	9,463,051	8,964,844
Total assets	**31,029,947**	**34,136,624**
Liabilities		
Current liabilities	3,837,756	4,929,156
Non-current liabilities	462,181	129,621
Total liabilities	**4,299,937**	**5,058,777**
Net Assets	**26,730,010**	**29,077,847**
Equity		
Issued capital	87,834,778	87,690,990
Accumulated losses	(62,637,902)	(59,860,278)
Share based payments reserve	1,533,134	1,247,135
Total equity	**26,730,010**	**29,077,847**

	YEAR ENDED 30 JUNE 2012	YEAR ENDED 30 JUNE 2011
Financial Performance		
Loss for the year	(2,777,626)	9,791,471
Other comprehensive income	-	-
Total comprehensive income	**(2,777,626)**	**9,791,471**

(a) Property, Plant and Equipment Commitments

There are no contractual commitments for the acquisition of property, plant or equipment as at 30 June 2012 (2011: Nil).

(b) Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2012 (2011: Nil).

DIRECTOR'S 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 15th day of August 2012

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

11 Waymouth Street
Adelaide SA 5000
GPO Box 1969
Adelaide SA 5001 Australia

Tel: +61 8 8407 7000
Fax: +61 8407 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Bionomics Limited

We have audited the accompanying financial report of Bionomics Limited, which comprises the statement of financial position as at 30 June 2012, 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 40 to 83.

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 gives a true and fair view and 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 company'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 company'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.

Deloitte.

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.

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 2012 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 30 to 37 of the directors' report for the year ended 30 June 2012. 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.

Opinion

In our opinion the Remuneration Report of Bionomics Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Philip Teale
Partner
Chartered Accountants
Adelaide, 15 August 2012

SHAREHOLDER INFORMATION

All shareholder information provided is current as at 20 September 2012.

DIFFERENCE IN RESULTS REPORTED TO THE ASX
There are no material differences between the figures reported in the financial statements and those lodged with the ASX in the Company's Appendix 4E for the year ended 30 June 2012, other than those previously announced to the market.

AUDIT AND RISK MANAGEMENT COMMITTEE
The Company established an Audit and Risk Management Committee in July 2002. The main responsibilities of the Audit and Risk Management Committee are set out in the section headed 'Corporate Governance Statement' of the Annual Report.

CORPORATE GOVERNANCE
Bionomics' corporate governance practices are set out in the section headed 'Corporate Governance Statement' of the Annual Report.

SUBSTANTIAL SHAREHOLDERS
Substantial holders in the Company are set out below:

ORDINARY SHARES	NUMBERS HELD
National Nominees Limited	48,589,561
Link Traders	37,012,500
HSBC Custody Nominees	33,319,275
The Australian National University	22,696,244

EQUITY SECURITIES
There are 3,853 holders of ordinary shares in Bionomics.

The number of shareholdings held in less than marketable parcels is 509.

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.

DISTRIBUTION OF SHAREHOLDERS OF EQUITY SECURITIES

	NUMBER OF SECURITY HOLDERS	
CATEGORY (SIZE OF HOLDING)	ORDINARY SHARES	UNLISTED OPTIONS
1 – 1,000	408	-
1,001 – 5,000	1,143	-
5,001 – 10,000	667	4
10,001 – 100,000	1,336	25
100,001 – and over	299	16
	3,853	**45**

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	48,589,561	13.33
2	Link Traders	37,012,500	10.15
3	HSBC Custody Nominees	33,319,275	9.14
4	The Australian National University	22,696,244	6.23
5	Wenola Pty Ltd	20,006,018	5.49
6	CVC Limited	11,152,399	3.06
7	Pagodatree Investments Limited	8,014,030	2.20
8	Boom Australia Pty Ltd	5,350,000	1.47
9	UBS Nominees	5,152,802	1.41
10	Mark and Rebecca Potter	5,000,000	1.37
11	Mandalay Capital	4,200,000	1.15
12	JP Morgan Nominees Australia Limited	4,071,825	1.12
13	City Hill Venture Partners I, LLC	4,009,865	1.10
14	Mr Christopher Reyes	3,029,205	0.83
15	AW & JE Wilks	2,925,000	0.80
16	Mr Peter Chu	2,861,862	0.79
17	Biogen Idec MA Inc	2,810,306	0.77
18	Citicorp Nominees	2,767,638	0.76
19	ANR Enterprises	2,529,781	0.69
20	BNP Paribas Nominees Pty Ltd	2,500,000	0.69
		227,998,311	**62.55**

UNQUOTED EQUITY SECURITIES	**NUMBER ON ISSUE**	**NUMBER OF HOLDERS**
Options issued pursuant to Bionomics Limited Employee Share Option Plan	8,865,900	45
	8,865,900	**45**

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.

REGISTERED OFFICE
31 Dalgleish Street
Thebarton SA Australia 5031
Telephone: 61 8 8354 6100

ADMINISTRATIVE OFFICE
31 Dalgleish Street
Thebarton SA Australia 5031
Telephone: +61 8 8354 6100
Facsimile: +61 8 8354 6199
E-mail: info@bionomics.com.au
Web Address: www.bionomics.com.au

SHARE REGISTRY
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA Australia 5000
Telephone: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)
E-mail: web.queries@computershare.com.au
Web Address: www.computershare.com

SOLICITORS
Johnson Winter & Slattery
211 Victoria Square
Adelaide SA Australia 5000

AUDITORS
Deloitte Touche Tohmatsu
11 Waymouth Street
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
Mr Graeme Kaufman	Non-Executive Director
Dr Jonathan Lim	Non-Executive Director

SENIOR MANAGEMENT	
Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Dr Emile Andriambeloson	Head of Research, Neurofit
Dr Peter Chu	President US Operations and Cancer Biology
Dr Andrew Harvey	Vice President Drug Discovery
Dr José Iglesias	Chief Medical Officer
Dr Gabriel Kremmidiotis	Vice President Research and Development
Dr Sue O'Connor	Vice President Neuroscience Research
Dr Christopher Reyes	Vice President Research and Development Biologics
Dr Jeremy Simpson	Vice President Clinical Development
Ms Melanie Young	Chief Financial Officer and Company Secretary

SCIENTIFIC ADVISORS
Dr Carrolee Barlow PhD MD BA
Dr Simon Campbell CBE BSc PhD
Dr Jayesh Desai FRACP
Dr Errol De Souza PhD
Professor Paul Fitzgerald PhD MSc
Dr Ann Hayes PhD Bsc
Dr Fiona McLaughlin PhD FSB
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:

UNITED STATES
BNY Mellon Shareowner Services
PO Box 358516, Pittsburgh, PA 15252-8516
Telephone: +1 201 680 6825
Toll Free Number for Domestic Calls:
+1 888 BNY ADRA or +1 1888 269 2377
Number for International Calls: +1 201 680 6825
E-mail: shrrelations@bnymellon.com
or visit **BNY Mellon Shareowner Services' website at** www.bnymellon.com/shareowner

AUSTRALIA
Ms Donna Kiely, Vice President
BNY Mellon Depositary Receipts, Australia & New Zealand
The Bank of New York
Level 5,350 Collins Street, Melbourne VIC 3000
Telephone: +61 3 9640 3908
Facsimile: +61 3 9602 1236
E-mail: donna.kiely@bnhmellon.com

31 DALGLEISH STREET, THEBARTON, SA AUSTRALIA, 5031 **WWW.BIONOMICS.COM.AU** ABN 53 075 582 740