

14 September 2010

The Manager
Company Announcements Office
Australian Securities Exchange

Annual Report, Notice of Meeting (including Explanatory Notes) and Proxy Form

Dear Sir or Madam,

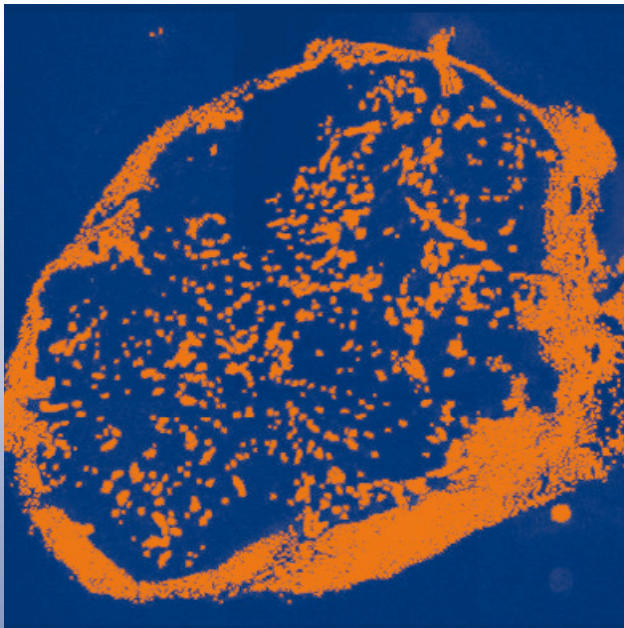
Please find attached the 2010 Annual Report, Notice of Meeting (including Explanatory Notes) and Proxy form that have been sent to shareholders today.

Yours Sincerely

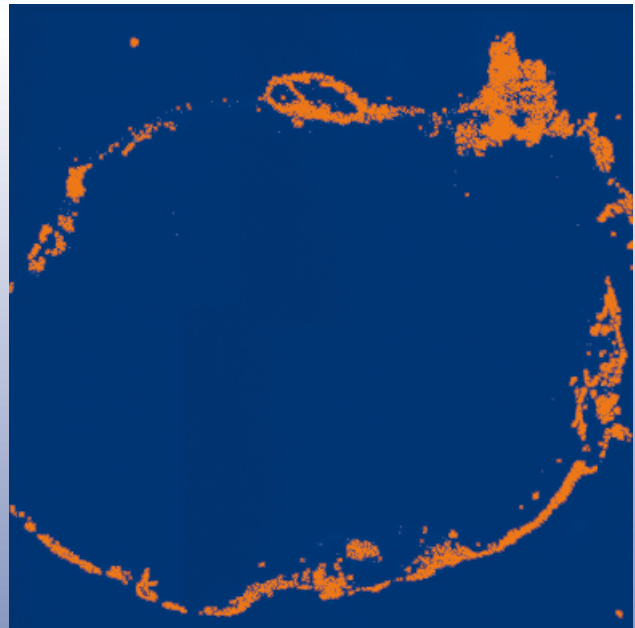


Trevor Thiele
Chief Financial Officer & Company Secretary

**BIONOMICS IS A LEADING INTERNATIONAL
DRUG DISCOVERY AND DEVELOPMENT COMPANY**



BREAST CANCER BEFORE BNC105 TREATMENT



BREAST CANCER AFTER BNC105 TREATMENT

**LIFE TRANSFORMING
TREATMENTS FOR
CANCER AND CNS
DISORDERS**

2010 BIONOMICS ANNUAL REPORT

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HIGHLIGHTS

CORPORATE

- SUCCESSFUL \$15 MILLION CAPITAL RAISE THROUGH PLACEMENT AND SHARE PURCHASE PLAN
- EXTENSION OF COLLABORATION WITH MERCK SERONO ON KV1.3/MULTIPLE SCLEROSIS PROGRAM
- PROFITABLE YEAR FOR NEUROFIT, OUR EUROPEAN SUBSIDIARY – RECORDING A 13.5% INCREASE IN TOTAL CONTRACT INCOME REFLECTING INCREASED WORK FOR BIONOMICS AND EXTERNAL PHARMA AND BIOTECH CUSTOMERS

CLINICAL DEVELOPMENT

- SUCCESSFUL COMPLETION OF 3 CLINICAL TRIALS:
 - Phase I trial of BNC105 in patients with advanced cancer
 - Phase I trial of BNC210, single dose escalation study in healthy volunteers
 - Phase I trial of BNC210, evaluation of the effect of food on drug levels in healthy volunteers
- PROGRESSION TO PHASE II CLINICAL DEVELOPMENT FOR BNC105 WITH THE INITIATION OF 2 CLINICAL TRIALS:
 - In the US - Phase II clinical trial of BNC105 in patients with metastatic renal cell cancer
 - In Australia - Phase II clinical trial of BNC105 in patients with mesothelioma

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

This year marks Bionomics' 10th anniversary as a listed drug discovery and development company.

There is much to celebrate and our management team has a sense of great pride and satisfaction in the achievements and successes to date.

We close our first decade on strong, solid foundations. Your Company has:

- a highly commercial drug pipeline, including two potential blockbuster drugs in clinical trial, which, if commercialised, will improve healthcare for millions of people.
- an exciting drug discovery partnership with Merck Serono.
- a small, talented, experienced, hardworking management team, led by our outstanding, world class CEO, Deborah Rathjen.
- a global presence, with one third of our executives and staff employed at our profitable contract services subsidiary, Neurofit, based in Strasbourg.
- a strong balance sheet, healthy cash reserves and a market capitalisation of around \$100 million.

Your Company commences its second decade with the core objective of partnering, on "industry terms", our two key potential blockbuster drugs, BNC105 and BNC210. Through our company announcements and newsletters, you are well aware of the progress made in the past few years. You are also aware that, over the next 12 months, critical, meaningful data from our clinical trials will be available to support our partnering discussions.

Next year should also see outcomes for our major drug discovery project in Multiple Sclerosis, partnered with Merck Serono. The extension of the program for another year was a clear, positive indication of real interest, and our drug discovery team remains focused on enhancing our relationship with Merck Serono to deliver the required technical outcomes and the achievement of milestone payments.

Clearly, 2011, is shaping up to be one of the most interesting, critical and exciting years in our brief history!

Our management team's continuing high level of commitment and dedication remains second to none and was the key to your Company's impressive progress over the past few years.

I wish to acknowledge the important role played by your representatives, the non-executive directors, and thank my fellow directors for their highly valuable contribution to the ongoing success of the Company.

Over the past decade, Bionomics has built a loyal, passionate and highly supportive shareholder base. All at Bionomics are committed to ensuring that this support will be well rewarded.

As for the next decade, our broad objective is to become the world's most successful and admired drug discovery and development company. We aim to continue to discover and develop drugs with the potential to make a real and meaningful difference to healthcare outcomes. We seek to reward you, our shareholders, for your belief in Bionomics and your strong and continuing support. We also aim to ensure that the Bionomics' management team is rewarded and acknowledged for their efforts and achievements.



Chris Fullerton
Chairman

CEO & MANAGING DIRECTOR'S REPORT

Dear Shareholders,

I am very pleased to provide this report on your Company for the 2009-2010 financial year. Bionomics' achievements during the year have occurred across all areas of the Company's operations. Particular highlights have been:

- the strengthening of our collaboration with global pharmaceutical company Merck KGaA and its affiliate Merck Serono in Multiple Sclerosis (MS), based on our technology platforms MultiCore® and ionX®,
- the consolidation of our status as a clinical development company, based on the significant progress shown by our drug candidates BNC105 and BNC210, and;
- the continued strong performance of our European subsidiary Neurofit.

In addition Bionomics has continued to explore exciting new pipeline opportunities, leveraging its technology platforms, through participation in the Cooperative Research Centre for Cancer Therapeutics (CRC-CTx).

The solid progress of Bionomics throughout the year has been made possible, in large measure, by the support of our shareholders and their participation in the \$15 million capital raise which enabled the Company to confidently commit resources to the continued development of BNC105 and BNC210.

PHARMA PARTNERSHIP EXTENDED

An important corporate milestone was achieved in May when our partnership with Merck Serono was extended for a further year. The extension of this partnership brings Bionomics closer to achieving significant milestone payments under the 2008 Development and Licensing Agreement. Under the agreement Merck Serono is to select an undisclosed number of compounds and for each selected compound Bionomics is eligible to receive up to US\$47 million in milestone payments in addition to a royalty on sales of successfully developed products arising from our collaboration. Merck Serono bears the cost of funding development, with Bionomics retaining a share in successes.

With this extension Bionomics will receive additional research funding. As shareholders are aware, Bionomics' chemistry and ion channel biology expertise is providing the driving force for this collaboration which is discovering novel Kv1.3 ion channel blockers for the treatment of MS and other autoimmune conditions. The use of Bionomics' technologies in the collaboration, together with the extension of the agreement with Merck Serono is a strong endorsement of the robustness of our platform technologies and also of the calibre of the Company's science and people.

Bionomics and Merck Serono have forged a close collaboration which has been further strengthened by the involvement of our Neurofit team. Neurofit has been separately commissioned by Merck Serono to undertake contract preclinical work on the joint MS project and together Bionomics and Neurofit form a two-pronged approach, delivering successful outcomes to the collaboration. It is pleasing to report that Neurofit has continued to perform above expectations in its provision of contract services to external customers, including Merck Serono.

CEO & MANAGING DIRECTOR'S REPORT

CLINICAL DEVELOPMENT PROGRESS

In 2010 Bionomics consolidated its position as a clinical development company with international reach and outlook. Not only did Bionomics successfully complete three Phase I clinical trials during the year, but the Company's lead cancer drug candidate BNC105 entered Phase II clinical development through the initiation of two large trials now taking place in the US and in Australia.

BNC105 PHASE II CLINICAL TRIALS COMMENCE FOLLOWING SUCCESSFUL PHASE I TRIAL

Following its nomination as one of the Top 5 cancer drugs entering clinical development in 2008 by Thomson Pharma, in 2010 BNC105 has emerged as the leading vascular disrupting agent (VDA) in development globally based on its clear competitive advantages.

We are very grateful to the patients and their families, who participated in the Phase I trial. The success of Bionomics' first clinical trial of BNC105 would also not have been possible without the efforts of Cancer Trials Australia and the investigators led by Dr Danny Rischin and supporting staff at each of the clinical trial sites – The Peter MacCallum Cancer Centre, The Royal Melbourne Hospital, Western Hospital and Austin Hospital.

In July 2009 Bionomics announced that it had contracted with the Hoosier Oncology Group, which is headquartered in Indianapolis, to conduct a Phase II clinical trial in patients with metastatic renal cell cancer who had failed other forms of treatment known as tyrosine kinase inhibitors (TKI). This trial will evaluate BNC105 in combination with Afinitor® which is marketed by Novartis as well as evaluating BNC105 as a standalone treatment in renal cancer patients who are no longer responding to Afinitor®.

The Hoosier Oncology Group consists of a working association of over 400 dedicated community and research centre physicians and clinical research practitioners across the United States. It has successfully leveraged this network to conduct cancer clinical trials since its creation in 1984. With this backing Bionomics anticipates the completion of the first stage of the trial and initial data at the end of the 2010 calendar year, with final data on 152 patients being available in 2012.

“It is particularly exciting to be conducting a trial which has the potential of creating a new paradigm for the treatment of renal cancer”

**DR THOMAS E HUTSON OF THE
BAYLOR SAMMONS CANCER CENTRE, TEXAS**

“.....there is a sense of excitement about the use of this agent for treating renal cancer”

**QUAKE PLETCHER, EXECUTIVE DIRECTOR OF
THE HOOSIER ONCOLOGY GROUP, INDIANAPOLIS**

CEO & MANAGING DIRECTOR'S REPORT

BNC105 TRIAL FOR THE TREATMENT OF MESOTHELIOMA

The second Phase II clinical trial which commenced this year is being conducted together with the Australasian Lung Cancer Trials Group (ALTG) and the NHMRC Clinical Trials Centre (CTC). This 60 patient clinical trial is anticipated to yield interim data in the first quarter of 2011 with the trial anticipated to be completed early in 2012.

Mesothelioma is a form of cancer that is usually caused by exposure to asbestos. Malignant cells typically develop in the protective lining that covers most of the body's internal organs. Research shows that the most common site is the outer lining of the lungs and internal chest wall.

Most people who develop mesothelioma previously held jobs where they were exposed to asbestos dust fibres. An increasing number of patients with mesothelioma were exposed to asbestos in the building industry or through home renovations.

Mesothelioma has virtually no effective treatment after first line chemotherapy and patients typically have a life expectancy of less than one year. The long latency, or time for the disease to develop, means that we are yet to see the peak incidence of mesothelioma over the next decade. Bionomics is particularly pleased to be undertaking this clinical trial in Australia, with the potential to offer an Australian solution.

“This Phase II trial will provide hope and an opportunity to participate in a research study for people with mesothelioma who do not have other options for treatment”

**DR ANNA NOWAK PROFESSOR AT THE FACULTY OF
MEDICINE, UNIVERSITY OF WESTERN AUSTRALIA AND
CONSULTANT MEDICAL ONCOLOGIST AT SIR CHARLES
GAIRDNER HOSPITAL, PERTH**

BNC105 ADVANTAGES RECOGNIZED

The pioneering work of the Bionomics team which resulted in the discovery of BNC105 and the subsequent elucidation of its unique attributes as a vascular disrupting agent (VDA) and anti-cancer agent with direct cancer killing activity has been published in *Molecular Cancer Therapeutics*, a prestigious peer-reviewed scientific journal of the American Association for Cancer Research. The paper included important data on the potency of BNC105 as well as its very high level of selectivity for cancer blood vessels. The selectivity of BNC105 for activated blood vessels such as those seen in solid tumours is a very important feature. It means that patients in clinical trials of BNC105 do not need to be pre-treated with anti-hypertensive drugs, and this is proving to be an advantage over other VDAs in development.

“BNC105 has a strong competitive profile with the key advantage of a dual mechanism with vascular disruption and a direct cytotoxic effect”

EDISON RESEARCH

CEO & MANAGING DIRECTOR'S REPORT

BNC210 CLINICAL TRIALS POWER AHEAD

This year Bionomics started and completed two clinical trials of BNC210 which is in development for the treatment of anxiety and depression. In the first trial a single dose of BNC210 in the range of 5mg to 2,000mg was taken on an empty stomach by healthy, male volunteers. The results indicated that BNC210 was safe and well tolerated with no clinically significant side-effects. Measurement of BNC210 levels in blood indicated levels of BNC210 exceeding the levels required for efficacy in animal trials. In addition, levels of BNC210 measured in blood over time suggested that once a day administration of BNC210 is feasible. The trial thus met its objectives and provided a good basis for moving forward with a second trial.

The second clinical trial of BNC210 commenced in May and evaluated the effect of taking BNC210 following a meal on BNC210 levels in blood. This trial was completed in June and the results have shown that BNC210 taken after food achieved much higher blood levels than when it was taken on an empty stomach – up to four times higher – and even at the much higher blood levels registered there were no clinically significant side-effects. This finding means that less drug is likely to be required to achieve efficacy than previously thought.

BNC210 is our second highly promising drug candidate in clinical development and the clinical data generated so far has been very encouraging, confirming elements of the targeted product profile such as lack of sedation and prospect for once a day dosing. Animal testing has indicated that BNC210 is potent but not addictive and that it does not impair either memory or motor co-ordination. Therefore BNC210 appears to have clear advantages over marketed drugs used to treat anxiety and depression and consequently we anticipate significant revenue potential if BNC210 is successfully developed.

The BNC210 clinical trials were conducted at the Pain and Anaesthesia Research Clinic (PARC) within the Royal Adelaide Hospital, under Professor Paul Rolan. Two additional clinical trials are anticipated to commence this year evaluating further the Central Nervous System (CNS) effects of BNC210 and the effectiveness of BNC210 in relieving the symptoms of anxiety. We anticipate, pending approval to undertake these clinical trials, that they will be completed in the first half of next calendar year.

“The first clinical testing of BNC210 in man has made important progress”

PAUL ROLAN, PROFESSOR OF CLINICAL PHARMACOLOGY AT THE UNIVERSITY OF ADELAIDE AND A CO-FOUNDER OF PARC

In addition to the clinical data which is an important component of our licensing package, the Bionomics team has continued to enhance our understanding of BNC210 through detailed preclinical testing. Amongst the data reported in 2009 was the significant finding that BNC210 was effective in an animal model of depression and the confirmation that extended treatment with and subsequent withdrawal of BNC210 did not produce symptoms of physical dependence. Data such as this reinforces the potential benefits of BNC210 for the treatment of anxiety and depression.

CEO & MANAGING DIRECTOR'S REPORT

CLINICAL TRIALS PROGRESS PROVIDES SOLID FOUNDATION FOR COMMERCIALISATION

Both BNC105 and BNC210 are targeting very large market opportunities where there is a clear need for new and effective treatments.

Data from our recent clinical trials has significantly increased the value of these programs in several ways. An example is the identification of biomarkers of the drug's activity that can be measured in the patients' blood. In the case of BNC105, the VDA acts as a tubulin binding agent and so a reduction in polymerized tubulin levels is proof of the drug's action. Similarly, a reduction of the stress hormone, cortisol is evidence of BNC210's anxiolytic action. In both cases, the biomarker provides a simple means of monitoring drug activity and represents an attractive addition to each drug's licensing package.

BNC105, because of its mechanism of action, is likely to be applicable to a wide variety of solid tumour types. Consequently the market opportunity for BNC105 if successfully developed is very large. An indicator of this potential is Avastin®, a vascular acting anti-cancer drug marketed by Roche. In 2009 sales of Avastin® exceeded US\$5.5 billion.

The current Phase II clinical trials in renal cell cancer and mesothelioma support our intended commercialisation of BNC105 through a licensing arrangement. These types of cancer have been the market entry point for several successful drugs. In particular, Sutent® (Pfizer), which is used to treat renal cancer and Alimta® (Lilly), which is used to treat mesothelioma. Both are blockbuster drugs with 2009 sales of US\$964 million and US\$1.7 billion respectively.

“BNC105 is likely to be in our view a very attractive asset.”

“A partnership for BNC105 could generate substantial economic return.” EDISON RESEARCH

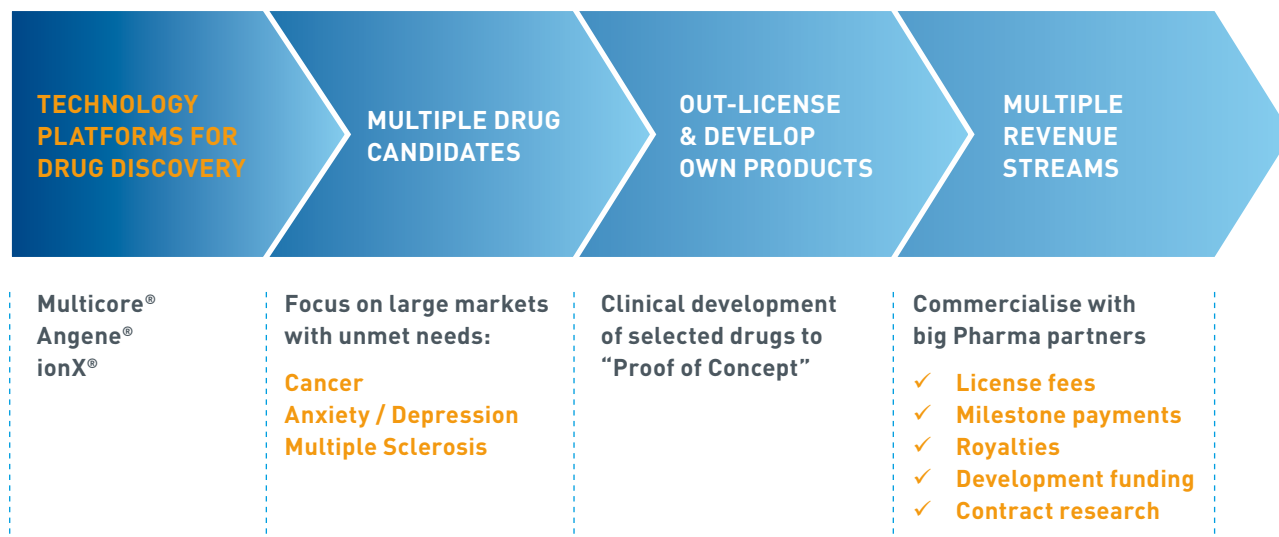
A snapshot of recent oncology deals continues to indicate that significant value is being recognised through upfront and milestone payments and royalties on product sales.

Licensor	Licensee	Development Status	Notes
Array BioPharma (April 2010) ARRY-162	Novartis	Phase I	Global, \$45m upfront, up to \$442 million milestones, double digit royalties.
Oncogenix (Dec 2009) OGX-011	Teva	Phase II prostate cancer	Global, \$20m upfront, \$10m equity investment (at premium), up to \$370m milestones and tiered double digit royalties, \$30m prepayment for development costs, Teva responsible for all commercialisation and development costs.
Clavis (Nov 2009) CP-4126	Clovis Oncology	Phase II pancreatic cancer	Americas and Europe, \$15m upfront, up to \$365m in milestones, tiered double digit royalties.

BNC210 has been designed to address market needs in the treatment of anxiety and depression. Anxiety is a common debilitating condition that affects 40 million patients in the US alone, and has an estimated market value of up to US\$15 billion worldwide. Depression is estimated to affect 6% of adult Australians and according to the World Health Organization, depression affects an estimated 121 million people worldwide.

The global antidepressant market reached sales of almost US\$11 billion in 2008. Cymbalta® (2009 sales US\$3.07B), Effexor®, which is also used for the treatment of generalised anxiety disorder (2009 sales US\$3.25B), and Lexapro® (2009 sales US\$2.27B) being amongst the most common drug treatments.

CEO & MANAGING DIRECTOR'S REPORT



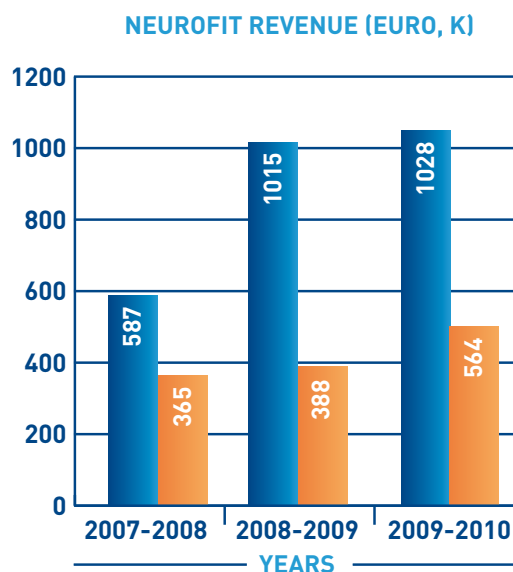
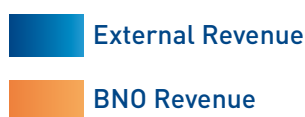
PIPELINE DEVELOPMENT

Bionomics has three valuable platform technologies which underpin the discovery of new drug candidates. We are leveraging these technology platforms through internal development efforts as well as through collaborations with Merck Serono and the CRC-CTx. The CRC is supported by in excess of \$30 million in Federal Government funding – very important funding which is targeting the entry of new cancer drug candidates into clinical trials.

Our proprietary technologies MultiCore®, ionX® and Angene® provide opportunities for Bionomics to partner programs at the discovery stage as we have done with Merck Serono. Bionomics is also able to take selected drug candidates into clinical development with the aim of licensing these products at a later stage in return for larger payments and a greater share in success.

NEUROFIT OPERATION

Our European operation Neurofit performed well in 2009-2010 making significant contributions to Bionomics' BNC210 program and our collaboration with Merck Serono. In a tough operating environment, Neurofit has increased revenues, added new large pharmaceutical company customers and retained previous customers with 70% of its external contracts being repeat business. Neurofit has four master service agreements in place, three of which are with major pharmaceutical companies.



CEO & MANAGING DIRECTOR'S REPORT



Thank you to the Bionomics and Neurofit teams for their continued passion and commitment to our shared vision



We have forged a strong collaboration

OUTLOOK

Bionomics' focus over the coming year will be on its clinical development programs where we anticipate initial data from the ongoing clinical trials of BNC105 in renal cell cancer and mesothelioma. We also expect to complete and therefore have additional BNC210 clinical trial data from two new trials to be initiated near term. Bionomics' strategy is to out-license its clinical programs and the data coming from clinical trials this year has enhanced our licensing packages for both BNC105 and BNC210. With additional data from ongoing trials in 2010-2011, Bionomics anticipates further commercial interest in these attractive assets. Bionomics will continue to communicate new data as it becomes available and to build a compelling case with potential licensees.

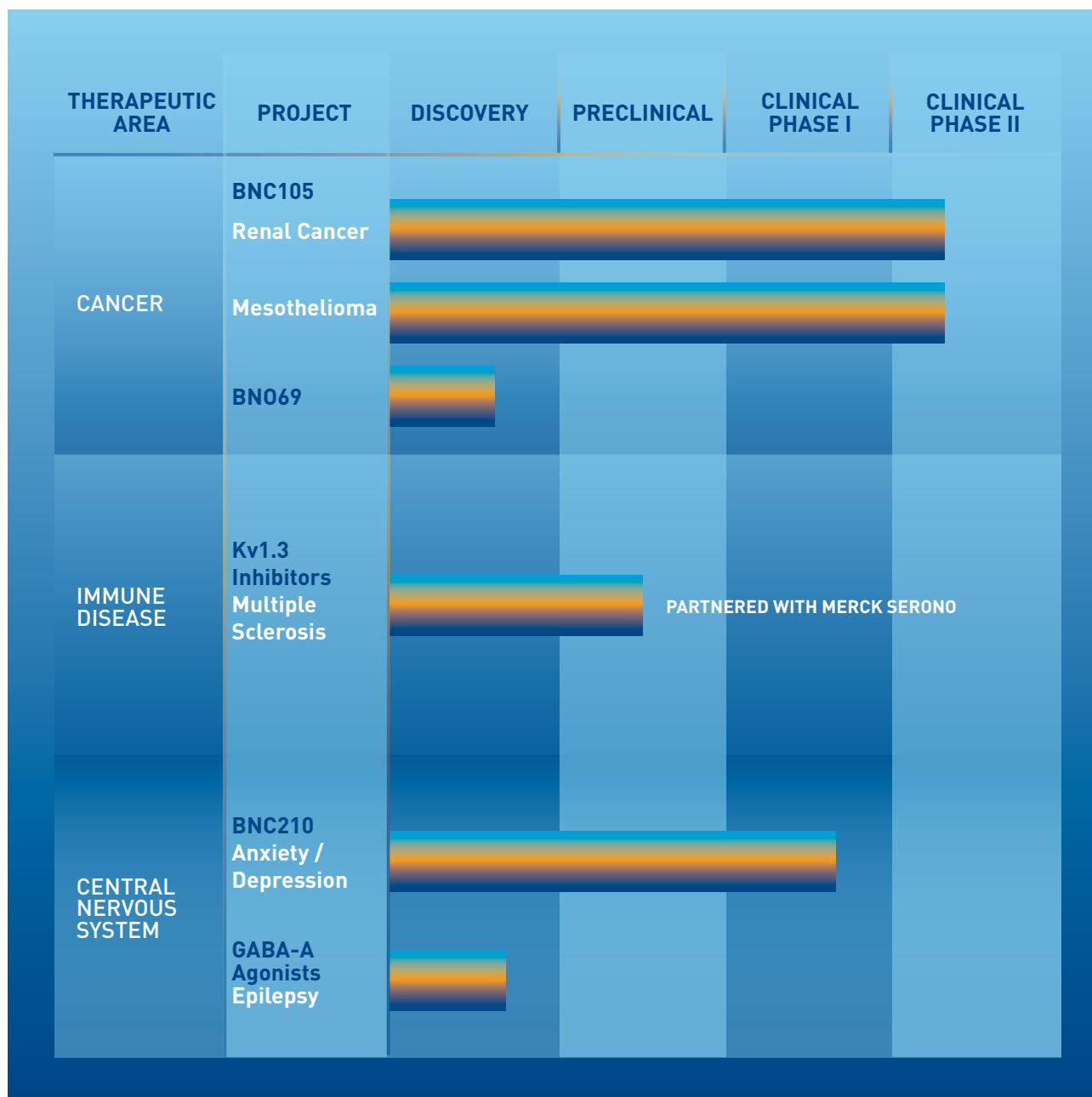
Bionomics will also focus on its collaboration with Merck Serono, building on the achievements of the past year. With the CRC-CTx we will continue to explore cancer project opportunities which leverage Bionomics' technologies and which can add value to Bionomics' pipeline.

We have an exciting year ahead and it is apparent that the milestones we are striving to achieve are aligned with our business strategy. I would like to thank the Bionomics and Neurofit teams for their continued passion and commitment to our shared objectives of delivering effective, new treatments to sufferers of cancer, anxiety, depression and MS and significant returns to our shareholders.

A handwritten signature in dark ink, appearing to read "Deborah Rathjen", followed by a period.

Deborah Rathjen
CEO and Managing Director

PIPELINE



BNC105

A POTENT AND SELECTIVE TUMOUR VASCULAR DISRUPTION AGENT (VDA) WITH DIRECT CYTOTOXIC ACTION ON CANCER CELLS

BNC105 is in development for the treatment of solid cancers, with trials in patients with metastatic renal cell cancer and mesothelioma in progress.

BNC105 has the potential to treat all solid tumour types but by selecting renal cell cancer and mesothelioma as the first Phase II clinical trial indications for BNC105, Bionomics has selected cancer indications which have a fast path to market.

Key advantages of BNC105 as an anti-cancer agent include:

- dual mechanism of action – it works by rapidly shutting down the blood supply of solid tumours and by also directly killing cancer cells
- potent and selective – BNC105 combines potent VDA action with an exceptional selectivity for cancer blood vessels

BNC105

**RAPID + POTENT + SELECTIVE =
MORE EFFECTIVE CANCER TARGETING**

This year Bionomics presented BNC105 data at major international scientific and clinical research conferences including the American Society for Clinical Oncology (ASCO) and the American Association for Cancer Research (AACR).

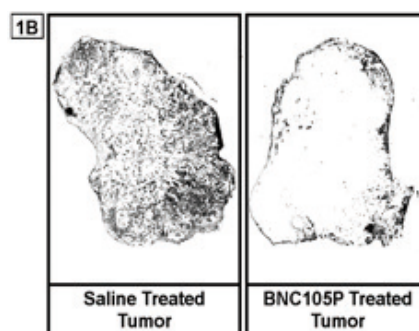
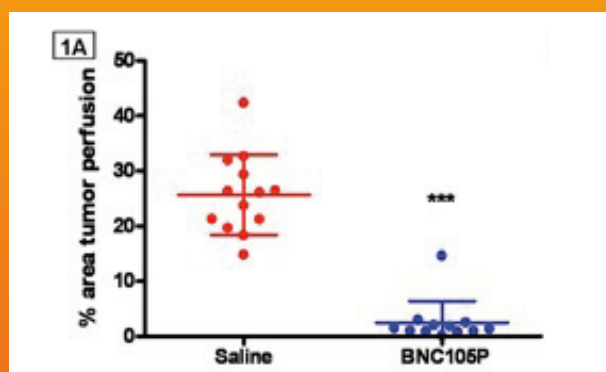
The data presented included preclinical evidence of both the anti-cancer activity of BNC105 and its VDA effects in animal models of renal cancer (**Figure 1**). This provides support for the Phase II clinical trial of BNC105 in patients with metastatic renal cell cancer.

Data from the successful Phase I clinical trial of BNC105 in patients with advanced cancer was also presented which included DCE-MRI data suggesting that BNC105 reduced blood flow in patients' tumours (**Figure 2**) and reduced the level of polymerized tubulin detected in patients' cells.

Since BNC105 acts as a tubulin binding agent, a reduction in polymerized tubulin levels is proof of the drug's action. Through this biomarker, BNC105 is the first VDA for which "on target" activity has been demonstrated in cancer patients.

Figure 1 Blood vessel shutdown induced by BNC105 in renal cancer models

Blood vessel shutdown is measured as reduced perfusion ie delivery of blood in the tumour (**Figure 1A**) and staining (**Figure 1B**)



BNC105

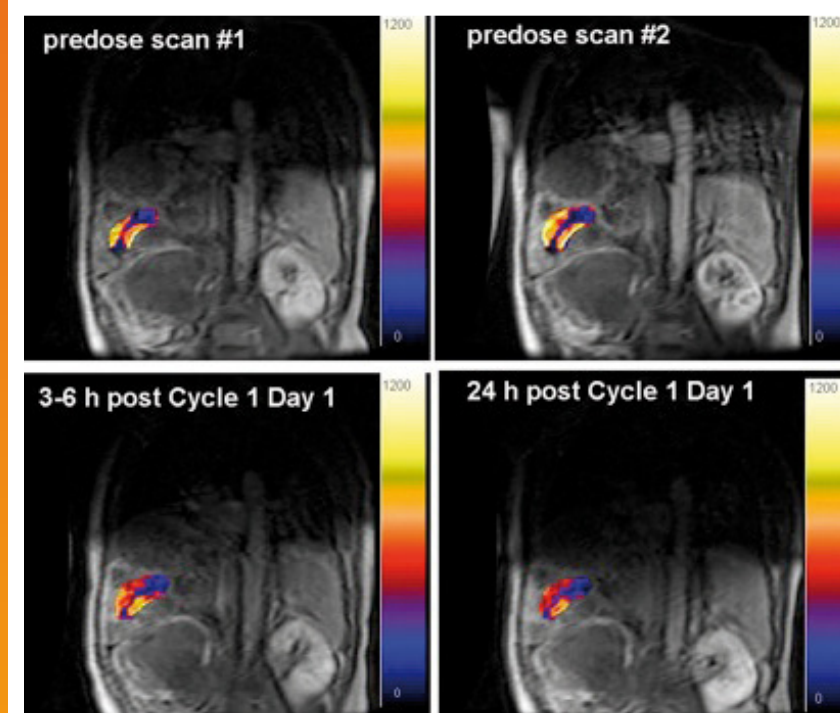
A POTENT AND SELECTIVE TUMOUR VASCULAR
DISRUPTION AGENT (VDA) WITH DIRECT
CYTOTOXIC ACTION ON CANCER CELLS

BNC105 HAS
THE POTENTIAL
TO TREAT
ALL SOLID
TUMOUR TYPES

Figure 2

BNC105 reduced blood flow in the tumour of a patient in Phase I clinical trial.

Patient 2206 (renal cancer, liver metastasis shown; RECIST classification: SD (stable disease) Baseline images predose scans #1 and #2 show dye take-up (yellow) by the tumour. Post dosing, the rapid VDA effect of a single dose of BNC105 is indicated by lower dye take-up (red in areas within the tumour that were previously yellow) 3 to 6 hours post-dose and even more so at 24 hours.



UPCOMING MILESTONES FOR THE BNC105 PROGRAM

MILESTONE

Interim Phase II clinical data - renal
Interim Phase II clinical data - mesothelioma
Presentation of BNC105 clinical data at ASCO
Presentation of BNC105 data at AACR

TIMING

Q4/2010
Q1/2011
Q2/2011
Q2/2011

BNC105

BNC210

COMBINES THE BEST FEATURES OF MARKETING DRUGS USED TO TREAT ANXIETY AND DEPRESSION, LACKS SIDE-EFFECTS

Key advantages of BNC210 as a novel potential treatment for anxiety and depression include:

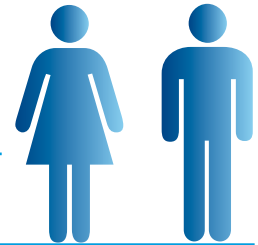
- rapid and potent action
- no sedation or impairment of memory
- no impairment of motor co-ordination
- no withdrawal syndrome or indications of dependence

BNC210 operates by a novel mechanism which appears to be distinct from all currently marketed drugs used to treat anxiety and depression.

BNC210 progressed into clinical development at the beginning of the financial year. The primary aims of the first Phase I clinical trial were to assess the safety, tolerability and pharmacokinetic profile of BNC210. Doses ranging from 5mg to 2,000mg were evaluated and the results indicated that BNC210 was indeed safe and well tolerated. In addition for the one dose level evaluated, 2,000mg, the levels of the stress-related hormone cortisol were reduced in BNC210 treated subjects compared to placebo **(Figure 1)**.

BNC210

HIGH BLOOD LEVELS ACHIEVED



Results from the second Phase I clinical trial of BNC210, which was completed in June 2010, have shown that BNC210 taken after food achieves much higher blood levels than when taken on an empty stomach. Over four fold exposure is seen when BNC210 is taken following a meal with no plateau of absorption observed at doses up to and including 2,000mg. This suggests that lower doses of BNC210 may be effective when the drug is given with food.

The trial results also confirmed that even at a very high level of drug absorption, BNC210 was safe and well tolerated with no clinically significant side-effects.

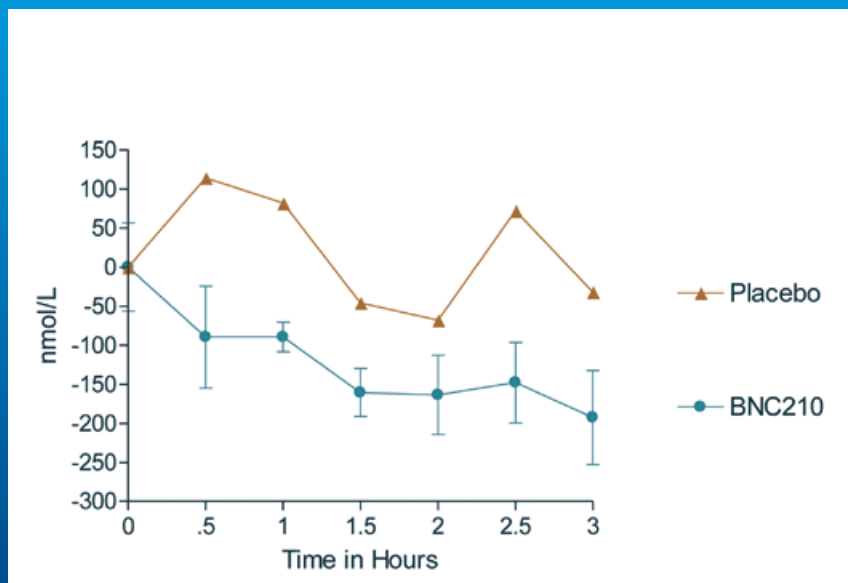


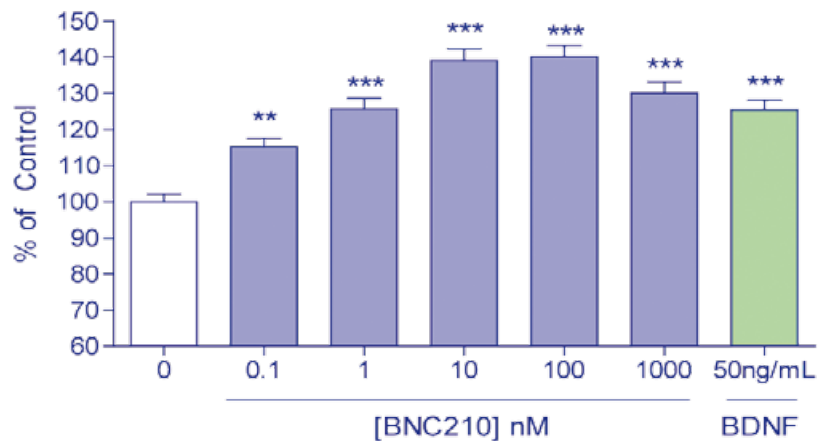
Figure 1
Plasma cortisol levels
in subjects treated with
BNC210

BNC210

COMBINES THE BEST FEATURES OF MARKETED
DRUGS USED TO TREAT ANXIETY AND DEPRESSION,
LACKS SIDE-EFFECTS

Figure 2

BNC210 is a potent enhancer of nerve cell growth as measured by the stimulation of neurite growth when BNC210 is added to the culture medium of primary cortical neurons, relative to control (no BNC210 treatment). BNC210 performed as well as the “gold standard” brain derived neurotrophic factor (BDNF) in promoting neurite outgrowth.



Two Phase Ib clinical trials of BNC210 are planned. The first of the new trials will evaluate BNC210 effects when anxiety is induced in healthy subjects whilst the second trial will evaluate BNC210 effects on the brain using electroencephalograph (EEG) measurements. The trials will also evaluate whether side-effects such as sedation or memory impairment are associated with the administration of BNC210.

Bionomics continues to present key scientific findings at major conferences. During this year new data was presented at the Australian Neuroscience Society Annual Meeting in Sydney which expanded the evidence of antidepressant activity of BNC210. Antidepressants increase the formation and development of nerve cells in various regions of the brain and also induce nerve growth in culture. Studies of the effects of BNC210 on nerve cells in culture have shown that it too enhances their growth, consistent with antidepressant activity ([Figure 2](#)).

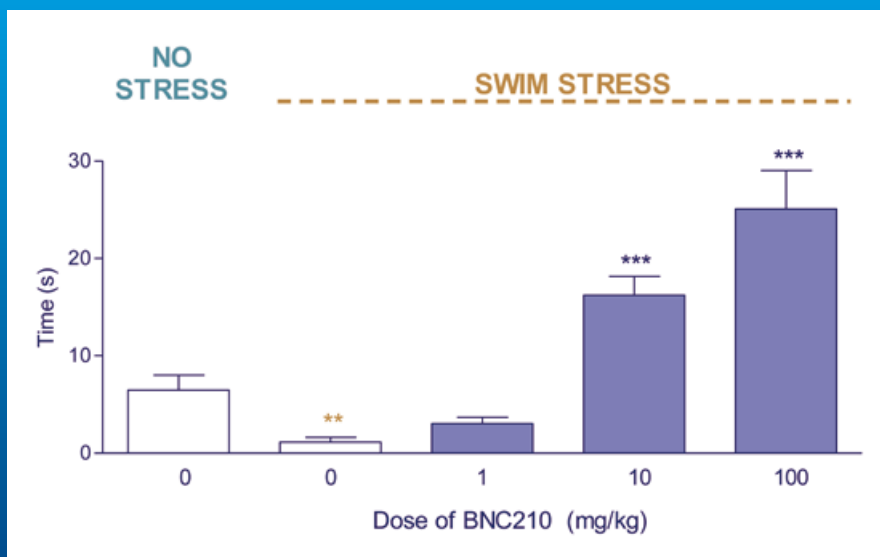


Figure 3

BNC210 reduces anxiety in pre-stressed rats. Anxiety was evaluated in the elevated plus maze as time spent on the open arms of the apparatus. BNC210 increased time spent in the open indicative of reduced anxiety even following a period of stress. Stress, induced by having the animals swim for a period of time before evaluating the behaviour, in the absence of BNC210 treatment, reduces time spent in the open.

**BNC210 TARGETS
MAJOR MARKETS
IN ANXIETY AND
DEPRESSION**



Bionomics also presented new BNC210 data at the 2009 American Society for Neuroscience Annual Meeting in Chicago on the effectiveness of BNC210 in a stress-induced anxiety model (Figure 3), thereby expanding the profile of BNC210 and its potential to treat both acute and chronic forms of anxiety.

UPCOMING MILESTONES FOR THE BNC210 PROGRAM

MILESTONE

Initiate two Phase Ib clinical trials
Presentation of BNC210 data at ECNP
Presentation of BNC 210 data at Neuroscience
Complete Phase Ib clinical trials

TIMING

Q3/2010
Q3/2010
Q4/2010
Q2/2011



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 twelve patents this financial year, four PCT patent applications entered the national and regional phases of examination and three provisional patent applications were filed as indicated below.

New patent applications granted or filed this financial year

GRANTED				
Patent No.	Country	Title	Grant date	Program
7556920	United States of America	Novel gene BN01 mapping to chromosome 16q24:3 gene	7 July 2009	BN069 (BN01)
1292676	Europe	Mutation associated with epilepsy	29 July 2009	GABA (GABA-A)
545185	New Zealand	Mutations in ion channels	13 August 2009	GABA (SSCP #2)
542202	New Zealand	Methods for the diagnosis and treatment of epilepsy	12 November 2009	Epilepsy (SMEI Diagnostic)
2003212101	Australia	Therapeutic ion channel blocking agents and methods of use thereof	10 December 2009	Kv1.3 (Khellinones #1)
2003209828	Australia	Novel chalcone derivatives and uses thereof	14 January 2010	Kv1.3 (Chalcones)
7667028	United States of America	Compositions and methods for angiogenesis related molecules and treatments	23 February 2010	Epilepsy (BN069 siRNA)
1852505	Europe	Mutations in ion channels	31 March 2010	Epilepsy (SSCP)
4486815	Japan	DNA sequences for human angiogenesis genes	2 April 2010	BN069 (Angiogenesis Macroarray)
7709225	United States of America	Sodium channel alpha1 subunit and their polypeptides and their treatment of generalised epilepsy with febrile seizures plus	4 May 2010	Epilepsy (SCN1A)
556686	New Zealand	Novel tubulin polymerization inhibitors	13 May 2010	BNC105 (TPI #2)
7723027	United States of America	Methods for the diagnosis and treatment of epilepsy	25 May 2010	Epilepsy (SMEI Diagnostic)

FILED			
Patent No.	Countries	Title	Program
PCT/ AU2007/001566	Hong Kong	Novel Anxiolytic Compounds	Anxiety (Novel Anxiolytic Compounds)
PCT/ AU2008/001480	Australia, Brazil, Canada, China, India, Israel, Japan, South Korea, Mexico, New Zealand, Singapore, Unites States of America, South Africa, Eurasia and Europe	Novel Aryl Potassium Channel Blockers and Uses Thereof	Kv1.3 (Non Furan)
PCT/ AU2008/001467	Australia, Canada, Europe, Japan, New Zealand and United States of America	Markers of Endothelial Cells and Uses Thereof	BNC105 (Endothelial Cells)
2009904098	Australian Provisional	Combination Therapy	BNC105 (BNC105 + mTOR)
2009904097	Australian Provisional	Treatment for Macular Degeneration	BNC105 (BNC105 for MD)
61/264749	United States of America Provisional, Australia and Canada	Combination Therapy for Treating Proliferative Diseases	BNC105 (BNC105 + antiproliferatives)
2009905806	Australian Provisional	Tubulin Biomarker Assay	BNC105 (Tubulin Biomarker Assay)

OVERVIEW OF PATENT PORTFOLIO

- 42 granted patents
- 6 patent applications covering BNC105, related molecules and biomarkers
- 1 patent application covering BNC210 and its use in the treatment of anxiety and other disorders
- 7 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
- 46 pending patent applications covering discoveries made utilising Bionomics' ionX® and Angene® platforms

BOARD OF DIRECTORS



Mr Christopher Fullerton

BEC

Chairman and Non-Executive Director

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



Dr Deborah Rathjen

BSc (Hons), PhD, MAICD

CEO and Managing Director

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



Dr Errol De Souza

PhD

Non-Executive Director

Dr De Souza is a leader in research and development concerning the Central Nervous System (CNS). He is currently CEO of leading US company Bidel 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.



Mr Trevor Tappenden

ACA, FAICD

Non-Executive Director

Mr Tappenden commenced a career as a Non-Executive Director in 2003 after a career with Ernest & 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.

MANAGEMENT



Mr Trevor Thiele

BA (Accounting), ACA

Chief Financial Officer and Company Secretary

Mr Trevor Thiele joins Bionomics after 25 years in various management positions spanning commercial, financial and treasury roles in public listed companies involved in various industries including grain, rural services, retail and food. In these roles Mr Thiele has gained experience in growth companies including mergers, acquisitions and capital raisings. Mr Thiele holds a Bachelor of Arts in Accounting from Uni SA and is a member of the Institute of Chartered Accountants in Australia.



Dr Andrew Harvey

BSc (Hons), PhD

Vice President Drug Discovery

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



Dr Gabriel Kremmidiotis

BSc (Hons), PhD

Vice President Research & Development

Molecular geneticist and immunologist Dr Gabriel Kremmidiotis joined Bionomics as Head of Bioinformatics in January 2002 and his role has since expanded to Vice President Research & Development. Formerly Senior Medical Scientist at the Department of Cytogenetics & Molecular Genetics at the Women's & Children's Hospital in Adelaide, Dr Kremmidiotis has several patent inventions on breast cancer tumour suppressor genes, including Bionomics' BN064 and BN01 genes as well as other tumour suppressor genes. Dr Kremmidiotis has a PhD and a Bachelor of Science (Honours) from Flinders University and a Bachelor of Science from The University of Melbourne. He has published research findings in 23 internationally-recognised scientific publications including *Cell*, *Human Molecular Genetics* and *American Journal of Human Genetics*, and is a member of the Human Genetics Society of Australasia.



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 18 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).

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 now 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 divestitures.
- 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 2010, 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

CORPORATE REPORTING

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

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

BOARD COMMITTEES

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

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

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

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

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

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

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

Compensation Committee

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

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

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

Further information on directors' and other key management personnel's remuneration is set out in the Directors' Report and note 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 to the Board the annual financial statement and the half-year financial statement; and

- assist the Board in fulfilling its oversight responsibilities through reviewing:
 - the financial reporting process,
 - the system of internal control and management of risks,
 - the audit process and
 - the Company's process for monitoring compliance with laws and regulations.

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

- reviews the external auditors' proposed audit scope and 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 25 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to both the Audit and Risk Management Committee and the Board.

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

RISK ASSESSMENT AND RISK MANAGEMENT

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

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

CORPORATE GOVERNANCE STATEMENT

ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT POLICIES

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

This system allows the Company to:

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

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

CODE OF CONDUCT

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

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

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

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

CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

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

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

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

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

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

AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The financial statements are prepared in accordance with AIFRS.

DIRECTORS' REPORT

Your directors present their report on the financial statements of the Group for the year ended 30 June 2010, comprising the parent entity Bionomics Limited (Bionomics) and its subsidiaries.

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 (elected Chairman on 4 November 2009)
- Dr Deborah Rathjen, Chief Executive Officer and Managing Director
- Mr Trevor Tappenden, Non-Executive Director
- Dr Errol De Souza, Non-Executive Director
- Dr Peter Jonson, Non-Executive Chairman

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Dr Peter Jonson (retired 4 November 2009)

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 2010 decreased by 10.4% to \$3,848,469. Grant funding for the period was \$34,618. This compared with revenues of \$4,296,496 and grant funding of \$311,291 for the year to 30 June 2009. The operating loss of the Group for the year to 30 June 2010 was \$8,214,082 compared with the prior year loss of \$6,862,299.

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.

Review of Operations

Bionomics has continued to unwaveringly execute its clinical trial programs. The Company completed the Phase I clinical trial of BNC105 in patients with advanced cancers and initiated two Phase II clinical trials of BNC105 in patients with metastatic renal cell cancer and in patients with mesothelioma. Bionomics' second most advanced asset BNC210 (which is in development for the treatment of anxiety and depression) successfully completed two Phase I clinical trials. Bionomics' partner Merck Serono extended the agreement to discover and develop more specific treatments for Multiple Sclerosis.

ACHIEVEMENTS AND SIGNIFICANT EVENTS DURING THE 2010 FINANCIAL YEAR INCLUDED:

SEPTEMBER 2009

Bionomics completed a \$5.8 million placement to institutional and sophisticated investors and received a \$7 million investment from Start-up Australia Ventures as part of a planned \$15 million capital raise.

OCTOBER 2009

Share Purchase Plan closed oversubscribed, completing the \$15 million capital raise referred to above.

OCTOBER 2009

BNC210 found to reduce anxiety levels in an animal model of stress-induced anxiety to pre-stress levels.

In data presented to the 2009 Society for Neuroscience Annual Meeting in Chicago, Bionomics also reported that BNC210 is effective in animal models of depression.

JANUARY 2010

US Phase II clinical trial of BNC105 in patients with metastatic renal cell cancer initiated.

Up to 12 clinical trial sites planned to participate across the US with an anticipated 152 patients to be enrolled. Initial data from this clinical trial is anticipated by the end of 2010.

FEBRUARY 2010

Data reported at the Australian Neuroscience Society Annual Conference showed that BNC210 enhances nerve cell growth in cultured neurons and that there was no evidence of physical dependence associated with BNC210 treatment in animals. The data presented expands the evidence of anti-depressant activity of BNC210.

DIRECTORS' REPORT

MARCH 2010

BNC210 Phase I clinical trial results confirm safety and suitability for once a day dosing.

Dosing of healthy male volunteers in stage two of the Phase Ia trial, which was conducted at the Pain and Anaesthesia Research Clinic (PARC) within the Royal Adelaide Hospital, was completed on schedule at the end of 2009. The primary objectives of the trial, to evaluate the safety, tolerability and the pharmacokinetics of BNC210, were met when stage 1 trial results were reported on 27 October 2009. Stage 1 of the trial evaluated a dose range of 5mg to 1200mg. Evaluation of the safety and tolerability of BNC210 in stage 2 of the trial, in which subjects received either 2000mg of BNC210 or placebo, confirmed that BNC210 is safe and well tolerated at high dose levels.

MARCH 2010

Phase II clinical trial of BNC105 in patients with mesothelioma, a deadly asbestos related cancer, initiated.

Mesothelioma has virtually no effective treatment after first line chemotherapy and patients typically have a life expectancy of less than one year. This trial will evaluate the effectiveness of BNC105 in 60 patients with advanced mesothelioma.

APRIL 2010

BNC105 data presented at AACR provides first demonstration of "on target" activity by a VDA in patients with advanced cancer and confirms rationale for Phase II clinical trial in patients with renal cell cancer.

MAY 2010

Merck Serono extends research term and funding for Multiple Sclerosis project.

This extension signals the progress made in identifying potential novel oral drug candidates that allow selective inhibition of the immune cells which cause nerve cell damage in patients with Multiple Sclerosis.

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

JUNE 2010

BNC105 Phase I clinical trial results reported at ASCO.

The trial results showed that BNC105 was well tolerated without any serious adverse side effects below the maximum dose of 18.9 mg/m². Stable disease was observed in four of 16 patients who completed at least two cycles of treatment at doses of 8.4 mg/m² or higher. A dose of 16 mg/m² has been selected for Phase II trials which are now underway for renal cancer and mesothelioma.

JUNE 2010

Second BNC210 phase I trial establishes four-fold increase in blood drug levels following food intake.

The increased exposure seen when BNC210 is given with food expands the potential dosing range to be used in its continued development for the treatment of anxiety and depression. The data suggests that lower doses of BNC210 may be effective when the drug is given with food. The trial also allowed identification of the doses to be used in the planned Phase Ib studies of BNC210.

Earnings Per Share

	CONSOLIDATED	
	2010 Cents	2009 Cents
Basic and diluted earnings per share	(2.7)	(2.8)

The basic and dilutive earnings per share amounts have been calculated using the 'Loss after income tax' figure in the Consolidated Statement of Comprehensive Income.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

An increase in contributed equity of \$15,144,898, from \$59,969,571 to \$75,114,469.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since the end of the reporting period and the date of this report 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 2009-2010 and no related issues have arisen since the end of the financial year to the date of this report.

INFORMATION ON DIRECTORS

Mr Christopher Fullerton BEc

Chairman – Non-Executive.

Director since 23 December 2008

Experience and Expertise

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

Current Directorships (in addition to Bionomics Limited)

Listed: Nil

Other: Mandalay Capital Pty Limited; Kador Group Holdings Pty Limited

Former Listed Directorships in Last Three Years

Cordlife Limited; Global Health Limited;
The Environmental Group Limited

Special Responsibilities

Member of Audit and Risk Management Committee

Interests in Shares and Options

4,825,020 ordinary shares in Bionomics Limited
500,000 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 June 2000 from Peptech Limited, where she was general manager of business development and licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF. Dr Rathjen has significant experience in research, business development and licensing and specific expertise in inflammation and cancer. Dr Rathjen is Chairperson of the AusBiotech Board, and a member of the Higher Education Council (SA Government).

Current Directorship (in addition to Bionomics Limited)

Listed: Nil

Other: Director and Chairperson of AusBiotech Limited (since 2008)

Former Listed Directorships in Last Three Years

None.

Special Responsibilities

Chief Executive Officer and Managing Director

Interests in Shares and Options

1,188,889 ordinary shares in Bionomics Limited.
2,502,300 unlisted options over ordinary shares in Bionomics Limited

Mr Trevor Tappenden ACA, 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, is Chairman of Heide Museum of Modern Art, and a Councillor of RMIT University. He is the Chairman of the Audit and Risk Management Committees of many of those organisations.

DIRECTORS' REPORT

Current Directorships (in addition to Bionomics Limited)

Listed companies: Director, Metal Storm Limited
Other: Chairman, Heide Museum of Modern Art; Director, Buckfast Pty Ltd; Director, Dairy Food Safety Victoria; Director VITS Language Link; Councillor, RMIT University

Former Listed Directorships in Last Three Years

None

Special Responsibilities

Chairman of Audit and Risk Management Committee

Interests in Shares and Options

245,899 ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in Bionomics Limited

Dr Errol De Souza

Non-Executive Director.
Director since 28 February 2008

Experience and Expertise

Dr De Souza is a leader in research and development concerning the central nervous system (CNS). He is currently CEO of leading US company Bionomics 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)

Director of Palatin Technologies, Inc (Amex: PTN); Director of Targacept, Inc (Nasdaq: TRGT); Massachusetts Biotechnology Council

Former Listed Directorships in Last Three Years

Director of IDEXX Laboratories, Inc (Nasdaq: IDXX)

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

Dr Peter Jonson BComm (Hons), MA (Hons), PhD, FAID, FASSA

Former Chairman – Non-Executive,
retired 4 November 2009

Experience and Expertise

Dr Jonson became an internationally recognised economist and influential policy adviser with the Reserve Bank of Australia before serving as CEO of Norwich Union's Australian business and managing director and then chairman of ANZ Funds Management. He has chaired the Federal Government's Biotechnology Centre of Excellence Expert Panel and the Major National Research Facilities Committee, set up to advise Federal Ministers on strategic and investment decisions affecting the biotechnology sector. He was the founding Chair of the Australian Institute for Commercialisation and is Chair Emeritus of the Melbourne Institute, University of Melbourne. He is a director of Village Roadshow Ltd and Pro Medicus Ltd and Chairman of the Federal Government's Cooperative Research Centres (CRC) Committee.

Company Secretary

The Company Secretary is Mr Trevor Thiele. Mr Thiele was appointed to the position of Company Secretary and Chief Financial Officer in December 2009. Mr Thiele joins Bionomics after 25 years in various management positions spanning commercial, financial and treasury roles in public listed companies involved in various industries including grain, rural services, retail and food. In these roles Mr Thiele has gained experience in growth companies including mergers, acquisitions and capital raisings. Mr Thiele holds a Bachelor of Arts in Accounting from Uni SA and is a member of the Institute of Chartered Accountants in Australia.

Meetings of Directors

The numbers of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2010, 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	3	3
Dr Deborah Rathjen*	11	11	**	**
Mr Trevor Tappenden	11	11	3	3
Dr Errol De Souza	11	10	**	**
Dr Peter Jonson	6	6	1	0

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.

Retirement, Election and Continuation in Office of Directors

Dr Errol De Souza retires as a non-executive director at the annual general meeting to be held on 15 October 2010 and, being eligible, offers himself for re-election.

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.

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 \$82,000 per annum and \$41,000 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

DIRECTORS' REPORT

Audit and Risk Management Committee duties. Dr Errol De Souza received an additional \$10,000 per annum inclusive of superannuation for being a member of the Scientific Advisory Board.

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

Retirement Allowance for Directors

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

Key Management Personnel Remuneration

The key management personnel pay and reward framework has three components:

- a cash remuneration package, including superannuation and other entitlements;
- longer-term incentives through participation in the Bionomics ESOP; and
- in exceptional circumstances, a cash bonus may be paid.

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

Base Remuneration

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

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

There is no policy or monitoring of other key management personnel limiting their risk in relation to issued options. There is no link between the company's performance and the setting of remuneration except as discussed on page 38 in relation to options for certain executives.

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

Retirement Benefits

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

The Bionomics ESOP

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

2. Details of Remuneration

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

Non-Executive Chairman

Mr Christopher Fullerton

Executive Director

Dr Deborah Rathjen, Chief Executive Officer and Managing Director

Non-Executive Directors

Mr Trevor Tappenden

Dr Errol De Souza

Dr Peter Jonson

The following persons were the top highest paid key Company and Group executives and those with greatest authority for the strategic direction and management of both the Company and 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
Mr Trevor Thiele (appointed 14 December 2009)	Chief Financial Officer and Company Secretary
Mr Stephen Birrell (resigned 18 December 2009)	Chief Financial Officer and Company Secretary

Details of options granted by Bionomics to and exercised by directors during the year ended 30 June 2010 are set out further in this note.

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL – 2010

Name	SHORT TERM BENEFITS		POST EMPLOY- MENT	SHARE BASED PAYMENTS			Total \$
	Cash salary and fees \$	Non- monetary benefits \$	Superan- uation \$	Shares \$	Options \$	Options % of Total	
Mr Christopher Fullerton	41,515	0	3,736	29,692	10,271	12.05	85,214
Dr Deborah Rathjen	345,539	0	14,461	45,600	59,080	12.71	464,680
Mr Trevor Tappenden	34,250	0	3,083	13,667	7,562	12.91	58,562
Dr Errol De Souza	37,333	0	0	18,272	11,088	16.62	66,693
Dr Peter Jonson (retired 4 November 2009)	17,275	0	1,555	9,436	4,926	14.84	33,192
Dr Emile Andriambeloson	146,229	0	0	0	2,377	1.60	148,606
Dr Andrew Harvey	103,028	0	11,972	30,000	14,784	9.25	159,784
Dr Gabriel Kremmidiotis	148,539	0	14,461	38,000	0	0	201,000
Mr Trevor Thiele (appointed 14 December 2009)	107,775	0	7,582	0	0	0	115,357
Mr Stephen Birrell (resigned 18 December 2009)	77,050	0	6,887	16,200	0	0	100,137
Totals	1,058,533	0	63,737	200,867	110,088	7.68	1,433,225

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

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

In 2010, cash salary for Dr Andriambeloson included cash bonus of \$19,157.

DIRECTORS' REPORT

DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL – 2009

Name	SHORT TERM BENEFITS		POST EMPLOYMENT	SHARE BASED PAYMENTS			Total \$
	Cash salary and fees \$	Non-monetary benefits \$	Superannuation \$	Shares \$	Options \$	Options % of Total	
Dr Peter Jonson	50,153	0	4,514	27,333	10,740	11.60	92,740
Dr Deborah Rathjen	346,255	0	13,745	45,600	1,815	0.45	407,415
Mr Trevor Tappenden	34,250	0	3,083	13,667	12,474	19.65	63,474
Dr Errol De Souza	27,334	0	0	13,666	30,246	42.45	71,246
Mr Christopher Fullerton (appointed 23 December 2008)	13,020	0	1,172	0	0	0	14,192
Dr Emile Andriambeloson	132,911	0	0	0	6,735	4.82	139,646
Mr Stephen Birrell	178,655	0	13,745	0	9,596	4.75	201,996
Dr Andrew Harvey (appointed 5 January 2009)	47,547	0	4,279	0	619	1.18	52,445
Dr Gabriel Kremmidiotis	181,255	0	13,745	0	595	0.30	195,595
Totals	1,011,380	0	54,283	100,266	72,820	5.9	1,238,749

Approximately one third of non-executive directors' fees were paid via the issuance of shares to these directors as a direct measure to conserve cash for the Group. Issuance of these shares is subject to the approval by shareholders at an AGM. In 2009, Dr Rathjen received \$45,600 of shares in lieu of salary in order to conserve the Group's cash reserves.

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 – 3 years commencing 19 June 2008.
- Total remuneration package for the year ended 30 June 2010 of \$405,600 per annum, 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 2010 of \$127,072 per annum, to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to one month's 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 2010 of \$145,000 per annum, to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to 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 2010 of \$201,000 per annum, to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to one month's salary.

**Mr Trevor Thiele,
Chief Financial Officer and Company Secretary**

- Term of agreement – open commencing 14 December 2009.
- Total remuneration package for the year ended 30 June 2010 of \$220,000 per annum, to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board.
- Payment of termination benefit on early termination by the employer without cause equal to three months' salary. In the event of redundancy six months' salary is payable.

4. Share Based Compensation

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

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

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

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

Share options granted before 7 November 2002 and/or vested before 1 January 2005

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

Share options granted after 7 November 2002 and vested after 1 January 2005

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

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

DIRECTORS' REPORT

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

Grant date	Expiry date	Exercise price	Fair value per option at grant date	Vesting date
GRANTED IN PRIOR PERIODS				
June 2002	14 June 2011	\$0.81	\$0.3924	14 June 2006
	14 June 2012	\$0.81	\$0.4078	14 June 2007
	10 June 2011	\$0.81	\$0.4235	10 June 2006
	10 June 2012	\$0.81	\$0.4390	10 June 2007
October 2004	19 June 2011	\$0.13	\$0.1628	19 June 2006
	19 June 2012	\$0.13	\$0.1668	19 June 2007
	19 June 2013	\$0.13	\$0.1704	19 June 2008
January 2005	17 February 2011	\$0.30	\$0.1098	18 February 2006
	17 February 2012	\$0.30	\$0.1171	18 February 2007
	17 February 2013	\$0.30	\$0.1234	18 February 2008
	17 February 2014	\$0.30	\$0.1289	18 February 2009
	17 February 2015	\$0.30	\$0.1335	18 February 2010
January 2006	13 January 2011	\$0.24	\$0.1297	13 January 2006
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
	16 November 2011	\$0.1455	\$0.1221	16 November 2006
January 2007	12 January 2012	\$0.2150	\$0.1453	12 January 2007
October 2007	4 October 2012	\$0.29	\$0.2140	4 October 2007
January 2008	11 January 2013	\$0.38	\$0.1879	11 January 2008
July 2008	1 July 2013	\$0.36	\$0.1579	1 July 2008

Grant date	Expiry date	Exercise price	Fair value per option at grant date	Vesting date
GRANTED IN PRIOR PERIODS (CONT.)				
November 2008	5 November 2013	\$0.30	\$0.0875	5 November 2008
	5 November 2014	\$0.30	\$0.0963	5 November 2009
	5 November 2015	\$0.30	\$0.1042	5 November 2010
	5 November 2016	\$0.30	\$0.1114	5 November 2011
	5 November 2017	\$0.30	\$0.1178	5 November 2012
	5 November 2013	\$0.3716	\$0.0191	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	\$0.0119	12 January 2009
June 2009	15 June 2014	\$0.25	\$0.0573	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
GRANTED IN CURRENT PERIOD				
November 2009	4 November 2015	\$0.30	\$0.0503	4 November 2010
	4 November 2016	\$0.30	\$0.069	4 November 2011
	4 November 2017	\$0.30	\$0.0834	4 November 2012
	4 November 2018	\$0.30	\$0.0953	4 November 2013
	4 November 2019	\$0.30	\$0.1057	4 November 2014

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

Options Provided as Remuneration under the ESOP in the Current Year

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

DURING THE FINANCIAL YEAR

Name	Number granted	Date granted	Total fair value \$	Number vested	% of grant vested	% of grant forfeited	Fair value of options lapsed \$
DIRECTORS							
Mr Christopher Fullerton	500,000	Nov-09	40,369	0	0	0	0
Dr Deborah Rathjen	0	0	0	0	0	0	248,194
Mr Trevor Tappenden	0	0	0	0	0	0	0
Dr Errol De Souza	0	0	0	0	0	0	0
Dr Peter Jonson (retired 4 November 2009)	0	0	0	0	0	0	0

DIRECTORS' REPORT

DURING THE FINANCIAL YEAR

Name	Number granted	Date granted	Total fair value \$	Number vested	% of grant vested	% of grant forfeited	Fair value of options lapsed \$
OTHER KEY MANAGEMENT PERSONNEL							
Dr Emile Andriambeloson	0	0	0	0	0	0	0
Dr Andrew Harvey	0	0	0	0	0	0	0
Dr Gabriel Kremmidiotis	0	0	0	0	0	0	16,227
Mr Trevor Thiele (appointed 14 December 2009)	0	0	0	0	0	0	0
Mr Stephen Birrell (resigned 18 December 2009)	0	0	0	0	0	0	0

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	175,000	175,000	26,750	0
Dr Gabriel Kremmidiotis	20,000	20,000	5,400	0
Mr Stephen Birrell (resigned 18 December 2009)	474,000	474,000	97,980	0

5. Additional Information

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

Key management personnel reward is set against the achievement of specified milestones and targets approved by the Board. Over the last year, average key management personnel remuneration increased by 15.7% with overall achievement of milestones and targets being 90%. Average achievement against goals and targets over the last four years is 78%. Milestones and targets generally relate to achieving developmental milestones for each pipeline project, such as achieving IND registrations by particular dates or entering Phase 1 Clinical Trials by particular dates. These milestones are set in order for the Company to achieve 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 2010.

	30 June 2010 \$	30 June 2009 \$	30 June 2008 \$	30 June 2007 \$	30 June 2006 \$
Revenue	3,848,469	4,296,496	5,256,963	1,412,882	2,263,204
Net Loss before tax	(8,214,082)	(6,899,183)	(5,142,954)	(7,898,735)	(5,553,388)
Net Loss after tax	(8,214,082)	(6,862,299)	(4,783,917)	(5,449,798)	(5,396,950)

	30 June 2010 cents	30 June 2009 cents	30 June 2008 cents	30 June 2007 cents	30 June 2006 cents
Share price at start of year	21.0	34.0	37.0	17.0	11.0
Share price at end of year	27.0	21.0	34.0	37.0	17.0
Dividends paid	0	0	0	0	0
Basic and diluted earnings per share	(2.7)	(2.8)	(2.1)	(3.0)	(3.4)

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.

Shares Under Option

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

Shares Issued on the Exercise of Options

1,159,000 ordinary shares of Bionomics were issued during the year ended 30 June 2010 on the exercise of options granted under the Bionomics ESOP.

OTHER INFORMATION

Insurance of Officers

During the financial year, Bionomics 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.

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 25 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 25 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 impartiality and objectivity of the external auditor.
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110, **Code of Ethics for Professional Accountants**, issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the external auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

External Auditor

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

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

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



Christopher Fullerton
Chairman

Adelaide

18 August 2010



Deborah Rathjen
Chief Executive Officer
and Managing Director
Adelaide

18 August 2010

DIRECTORS' REPORT

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

18 August 2010

Dear Board Members

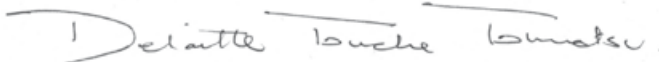
Bionomics Limited

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.

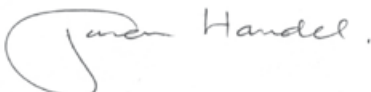
As lead audit partner for the audit of the financial statements of Bionomics Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



JJ Handel
Partner
Chartered Accountants

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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This financial statement covers both Bionomics Limited ("Bionomics") as an individual entity 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 Dalglish 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 of our website www.bionomics.com.au

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED		PARENT ENTITY	
		2010 \$	2009 \$	2010 \$	2009 \$
Revenue	4	3,848,469	4,296,496	2,287,106	2,685,249
Other Income	4	34,618	311,291	0	311,291
Gross profit		3,883,087	4,607,787	2,287,106	2,996,540
Expenses	5				
Administrative		1,827,018	1,752,309	2,158,436	1,701,381
Financing costs		247,850	283,047	238,190	274,980
Occupancy		958,512	1,032,460	746,506	750,649
Compliance		477,334	335,633	414,240	264,576
Research and development		8,586,455	8,103,521	7,204,851	6,797,627
Loss before tax		(8,214,082)	(6,899,183)	(8,475,117)	(6,792,673)
Income tax benefit	6	0	36,884	0	41,748
LOSS FOR THE YEAR AFTER INCOME TAX FROM CONTINUING OPERATIONS		(8,214,082)	(6,862,299)	(8,475,117)	(6,750,925)
Other comprehensive income					
Exchange differences arising on translation of foreign operations		(294,756)	(49,301)	0	0
Land and building revaluation		0	139,161	0	139,161
Income tax effect		0	(41,748)	0	(41,748)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(8,508,838)	(6,814,187)	(8,475,117)	(6,653,512)

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	Note	CONSOLIDATED	
		2010 cents	2009 cents
Basic and diluted loss per share	30	(2.7)	(2.8)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

CONSOLIDATED			PARENT ENTITY		
	2010	2009	2010	2009	
Note	\$	\$	\$	\$	
CURRENT ASSETS					
Cash and cash equivalents	7	12,612,244	4,757,200	12,497,306	4,547,681
Trade and other receivables	8	847,104	775,439	2,237,072	3,218,469
Inventories	9	113,075	122,400	0	0
Other assets	10	323,640	232,466	129,660	104,200
TOTAL CURRENT ASSETS		13,896,063	5,887,505	14,864,038	7,870,350
NON-CURRENT ASSETS					
Other financial assets	11	0	0	8,561,280	8,561,280
Property, plant and equipment	12	7,907,530	8,379,180	7,695,764	8,101,388
Intangible assets	13	9,710,878	10,458,001	0	0
Deferred Tax Asset	18	0	0	264,679	264,679
TOTAL NON-CURRENT ASSETS		17,618,408	18,837,181	16,521,723	16,927,347
TOTAL ASSETS		31,514,471	24,724,686	31,385,761	24,797,697
CURRENT LIABILITIES					
Trade and other payables	14	1,937,712	1,610,855	1,237,691	1,131,468
Borrowings	15	626,944	529,016	626,944	529,016
Provisions	16	600,642	542,061	497,909	467,731
Other liabilities	17	70,396	108,991	0	25,000
TOTAL CURRENT LIABILITIES		3,235,694	2,790,923	2,362,544	2,153,215
NON-CURRENT LIABILITIES					
Other payables	14	50,000	50,000	50,000	50,000
Borrowings	15	2,692,209	3,164,869	2,692,209	3,164,869
Provisions	16	70,680	24,326	70,680	24,326
TOTAL NON-CURRENT LIABILITIES		2,812,889	3,239,195	2,812,889	3,239,195
TOTAL LIABILITIES		6,048,583	6,030,118	5,175,433	5,392,410
NET ASSETS		25,465,888	18,694,568	26,210,328	19,405,287
EQUITY					
Issued capital	19	75,114,469	59,969,571	75,114,469	59,969,571
Reserves	20	3,187,102	3,346,598	3,670,173	3,534,913
Accumulated losses	21	(52,835,683)	(44,621,601)	(52,574,314)	(44,099,197)
TOTAL EQUITY		25,465,888	18,694,568	26,210,328	19,405,287

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

CONSOLIDATED			PARENT ENTITY	
Note	2010 \$	2009 \$	2010 \$	2009 \$
Cash flows from operating activities				
Grants received (including GST)	34,618	330,135	0	330,135
Receipts from customers (including GST)	3,273,698	5,589,454	1,507,260	4,157,377
Payments to suppliers and employees (including GST)	(10,160,091)	(10,622,665)	(8,330,759)	(9,325,665)
	(6,851,775)	(4,703,076)	(6,823,499)	(4,838,153)
Financing costs	(247,850)	(283,047)	(238,190)	(274,980)
Net cash outflow from operating activities28	(7,099,625)	(4,986,123)	(7,061,689)	(5,113,133)
Cash flows from investing activities				
Interest received	467,869	286,821	467,185	282,953
Payments for purchases of property, plant & equipment	(42,911)	(106,681)	(25,169)	(84,987)
Payments for purchases of intangibles	(2,992)	(3,666)	0	0
Net cash inflow from investing activities	421,966	176,474	442,016	197,966
Cash flows from financing activities				
Repayment of borrowings	(400,430)	(440,680)	(400,430)	(440,680)
Proceeds from borrowings	25,698	26,814	25,698	26,814
Proceeds from share issues (net of expenses)	14,944,030	3,739,382	14,944,030	3,739,382
Net cash inflow/(outflow) from financing activities	14,569,298	3,325,516	14,569,298	3,325,516
Net increase/(decrease) in cash and cash equivalents	7,891,639	(1,484,133)	7,949,625	(1,589,651)
Cash at the beginning of the financial year	4,757,200	6,280,480	4,547,681	6,164,645
Effect of exchange rate changes on the balances of cash held in foreign currency	(36,595)	(39,147)	0	(27,313)
Cash and cash equivalents at the end of the year7	12,612,244	4,757,200	12,497,306	4,547,681
Non-cash financing activities29				

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Share based payments reserve \$	Asset revaluation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2008	56,098,888	(139,014)	918,757	2,408,096	(37,759,302)	21,527,425
Loss for the period	0	0	0	0	(6,862,299)	(6,862,299)
Exchange differences on translation of foreign operations	0	(49,301)	0	0	0	(49,301)
Net land and building revaluation	0	0	0	97,413	0	97,413
Total comprehensive income for the period	0	(49,301)	0	97,413	(6,862,299)	(6,814,187)
Employee share options	0	0	110,647	0	0	110,647
Contributions of equity, net of transaction costs	3,870,683	0	0	0	0	3,870,683
Balance at 30 June 2009	59,969,571	(188,315)	1,029,404	2,505,509	(44,621,601)	18,694,568
Balance at 1 July 2009	59,969,571	(188,315)	1,029,404	2,505,509	(44,621,601)	18,694,568
Loss for the period	0	0	0	0	(8,214,082)	(8,214,082)
Exchange differences on translation of foreign operations	0	(294,756)	0	0	0	(294,756)
Total comprehensive income for the period	0	(294,756)	0	0	(8,214,082)	(8,508,838)
Employee share options	0	0	135,260	0	0	135,260
Contributions of equity, net of transaction costs	15,144,898	0	0	0	0	15,144,898
Balance at 30 June 2010	75,114,469	(483,071)	1,164,664	2,505,509	(52,835,683)	25,465,888

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

PARENT ENTITY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Parent	Issued capital \$	Share based payments reserve \$	Asset revaluation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2008	56,098,888	918,757	2,408,096	(37,348,272)	22,077,469
Loss for the period	0	0	0	(6,750,925)	(6,750,925)
Net land and building revaluation	0	0	97,413	0	97,413
Total comprehensive income for the period	0	0	97,413	(6,750,925)	(6,653,512)
Employee share options	0	110,647	0	0	110,647
Contributions of equity, net of transaction costs	3,870,683	0	0	0	3,870,683
Balance at 30 June 2009	59,969,571	1,029,404	2,505,509	(44,099,197)	19,405,287
Balance at 1 July 2009	59,969,571	1,029,404	2,505,509	(44,099,197)	19,405,287
Loss for the period	0	0	0	(8,475,117)	(8,475,117)
Net land and building revaluation	0	0	0	0	0
Total comprehensive income for the period	0	0	0	(8,475,117)	(8,475,117)
Employee share options	0	135,260	0	0	135,260
Contributions of equity, net of transaction costs	15,144,898	0	0	0	15,144,898
Balance at 30 June 2010	75,114,469	1,164,664	2,505,509	(52,574,314)	26,210,328

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statement includes separate financial statements for Bionomics as an individual entity and the Group consisting of Bionomics and its subsidiaries.

(a) BASIS OF PREPARATION

This general purpose financial statement has been prepared in accordance with Accounting Standards, the Corporations Act 2001 and other requirements of the law.

Compliance with IFRS

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes of the Company and the Group comply with the International Financial Reporting Standards (IFRS). The financial statements were authorised for issue by the directors on 18 August 2010.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of financial assets, property plant and equipment, and liabilities at fair value.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Bionomics and its subsidiaries as at 30 June 2010.

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. Unrealised losses are eliminated unless costs cannot be recovered.

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.

Subsidiaries have been included in the consolidated financial statements using the acquisition method of accounting as discussed in note 1(g).

(c) FOREIGN CURRENCY TRANSLATION

(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 other comprehensive income.

(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 as a separate component of equity upon consolidation.

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.

(d) REVENUE RECOGNITION

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

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

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

License revenues received in respect of future accounting periods are deferred until the Group has fulfilled its obligations under the terms of the agreement. Where revenue has been deferred because the company has future performance obligations, revenue is recognised as the Group's performance obligations are satisfied. Any costs incurred relating to this future revenue are also deferred.

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.

(e) GOVERNMENT GRANTS

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

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

(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.

(g) 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.

(h) IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) 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.

(j) 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.

(k) INVENTORIES

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

(l) PROPERTY, PLANT AND EQUIPMENT

Land and buildings are shown at fair value, based on periodic, but at least triennial, 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 %

(m) FINANCIAL ASSETS

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company financial statements.

(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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.

(n) 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 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.

(o) RESEARCH AND DEVELOPMENT

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

(p) 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.

(q) EMPLOYEE BENEFITS

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

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

(ii) Long Service Leave

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

(iii) Superannuation

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

(iv) Share Based Payments

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

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

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

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

Share options granted before 7 November 2002 and/or vested before 1 January 2005

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

Share options granted after 7 November 2002 and vested after 1 January 2005

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

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

(r) BORROWINGS

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.

(s) 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.

(t) 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.

(u) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

(v) EARNINGS/(LOSS) PER SHARE

(i) Basic Earnings/(loss) per Share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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.

(w) 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.

(x) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

In the current year, the entity 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.

Various other Standards and Interpretations were on issue but were not yet effective at the date of authorisation of the financial statement. The issue of these Standards and Interpretations do not affect the Group's present policies and operations. The directors anticipate that the adoption of these Standards and Interpretations in future periods will not materially affect the amounts recognised in the financial statements of the Company or the Group but may change the disclosure presently made in the financial statements of the Company or the Group.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(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 (2009: \$5,147,990).

The carrying amount of intangibles at balance date was \$9,710,878 (2009: \$10,458,001).

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

NOTE 3: SEGMENT INFORMATION

The Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was analysed on the basis of there being one business segment, drug discovery and development. However information reported to the Board of Directors for the purpose of resource allocation and assessment of

NOTE 3: SEGMENT INFORMATION (CONT.)

performance clearly separates the Bionomics Group into three distinct reportable segments:

- 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. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

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

	SEGMENT REVENUE YEAR ENDED		SEGMENT RESULT YEAR ENDED	
	30 June 2010 \$	30 June 2009 \$	30 June 2010 \$	30 June 2009 \$
Drug discovery	1,162,406	1,665,204	(2,012,001)	(588,615)
Drug development	136,810	161,364	(4,650,747)	(5,339,475)
Contract services	2,747,803	2,624,986	486,117	603,186
	4,047,019	4,451,554	(6,176,631)	(5,324,904)
Less: Intercompany revenue included in Contract services	(887,501)	(662,344)	0	0
Investment & other revenue	688,951	507,286	688,951	507,286
	3,848,469	4,296,496	(5,487,680)	(4,817,618)
Unallocated financing costs			(90,934)	(85,021)
Central administration costs			(2,635,468)	(1,959,660)
Loss before income tax			(8,214,082)	(6,862,299)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 3: SEGMENT INFORMATION (CONT.)

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

	30 June 2010 \$	30 June 2009 \$
Drug discovery	2,038,222	2,301,498
Drug development	7,112,259	7,324,432
Contract services	2,089,494	2,551,575
	11,239,975	12,177,505
Unallocated assets	20,274,496	12,547,181
Total assets	31,514,471	24,724,686

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.

Summary of segment liabilities:

	30 June 2010 \$	30 June 2009 \$
Contract services (excluding intercompany liabilities)	967,564	637,706
Unallocated liabilities	5,081,019	5,392,412
Total liabilities	6,048,583	6,030,118

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 2010 \$	30 June 2009 \$
Contract services	20,735	87,013
Unallocated	25,168	88,652
	45,903	175,665

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

	INTEREST EXPENSE YEAR ENDED		DEPRECIATION & AMORTISATION YEAR ENDED	
	30 June 2010 \$	30 June 2009 \$	30 June 2010 \$	30 June 2009 \$
Drug discovery	85,563	75,700	320,526	297,089
Drug development	61,722	114,439	329,407	404,115
Contract services	9,631	7,887	170,576	235,680
Unallocated	90,934	85,021	133,912	96,744
	247,850	283,047	954,421	1,033,628

NOTE 3: SEGMENT INFORMATION (CONT.)

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

	30 June 2010 \$	30 June 2009 \$
Contract services	1,860,302	1,962,642
Collaboration income	1,115,940	1,395,424
Other	872,227	938,430
	3,848,469	4,296,496

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 2010 \$	30 June 2009 \$	30 June 2010 \$	30 June 2009 \$
Australia	1,988,167	2,333,854	16,354,786	17,125,213
France	1,860,302	1,962,642	1,263,622	1,711,968
	3,848,469	4,296,496	17,618,408	18,837,181

* Non-current assets excluding financial instruments, deferred tax assets, post employment benefit assets and assets arising under insurance contracts.

Included in revenues for Drug discovery are revenues of \$1,115,940 (2009: \$1,395,424) from one party.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 4: REVENUE AND OTHER INCOME				
Revenue				
Revenue from rendering of services	1,632,078	1,942,887	0	0
Royalties	136,810	161,364	136,810	161,364
Collaboration income	1,115,940	1,395,424	1,115,940	1,395,424
Interest received/receivable on bank deposits	487,386	286,821	486,028	282,953
Rent received or receivable	230,965	237,816	230,965	221,508
Other revenue	245,290	272,184	317,363	624,000
	3,848,469	4,296,496	2,287,106	2,685,249
Other income				
Government Commercial Ready grant	0	188,437	0	188,437
Government EMDG grant	0	122,854	0	122,854
Foreign Government grant	34,618	0	0	0
	34,618	311,291	0	311,291

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 5: EXPENSES				
Loss before income tax expense includes the following specific expenses:				
Financing costs:				
- Interest paid/payable on bank and other loans	241,319	271,618	231,659	263,551
- Interest obligations under finance leases	6,531	11,429	6,531	11,429
	247,850	283,047	238,190	274,980
Depreciation:				
- Administrative plant and equipment	39,622	55,490	16,911	26,424
- Scientific plant and equipment	81,083	105,434	45,450	52,989
- Building fit outs	158,085	207,524	158,085	207,524
- Refrigeration plant and equipment	0	24,293	0	24,293
- Building	201,870	139,161	201,870	139,161
	480,660	531,902	422,316	450,391
Amortisation of non-current assets:				
- Intellectual property	473,761	501,726	0	0
Rental expense on operating leases:				
- Minimum lease payments	195,552	204,490	6,350	6,708
Employment benefit expenses of:				
- Wages and salaries	2,768,043	2,717,032	2,175,077	2,131,640
- Superannuation	424,640	418,215	188,890	189,887
- Share based payments	336,128	241,738	336,128	241,738
	3,528,811	3,376,985	2,700,095	2,563,265
Foreign currency loss/(gain)	(11,492)	(45,217)	332,781	(45,217)
(Profit)/loss on sale of plant and equipment	8,474	0	8,474	0

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 6: INCOME TAX EXPENSE				
(a) Income tax expense recognised in profit or loss				
Current tax (withholding tax)	0	4,864	0	0
Deferred tax expense/(income) resulting from origination and reversal of temporary differences	0	0	0	0
Benefit arising from previously unrecognised tax losses of a prior period that is used to reduce deferred tax expense	0	(41,748)	0	(41,748)
	0	(36,884)	0	(41,748)

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 6: INCOME TAX EXPENSE (CONT.)				
Income tax expense is attributable to:				
Profit from continuing operations	0	(36,884)	0	(41,748)
	0	(36,884)	0	(41,748)
(b) Numerical reconciliation of income tax benefit to prima facie tax benefit				
Loss from continuing operations	(8,214,082)	(6,899,183)	(8,475,117)	(6,792,673)
Tax at the Australian tax rate of 30% (2009-30%)	(2,464,224)	(2,069,755)	(2,542,535)	(2,037,802)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Goodwill impairment	0	0	0	0
- Amortisation of intangibles	101,893	150,518	0	0
- Foreign Exchange reversed on consolidation	(103,282)	0	0	0
- Elimination of accrued income on consolidation	(28,325)	0	0	0
- Exempt income from government funding	(56,076)	0	0	0
- Entertainment	848	774	848	774
- Share based payments	40,579	42,504	40,579	42,504
- Research & development expenditure	(394,891)	(867,681)	(394,891)	(867,681)
	(2,903,478)	(2,743,640)	(2,895,999)	(2,862,205)
Withholding tax paid	0	0	0	0
Net deductible temporary differences not raised as an asset	(92,141)	143,540	(92,141)	146,229
Prior year true up	464,615	(2,150,727)	447,517	(2,181,964)
Income tax benefit not recognised	2,531,004	4,713,943	2,540,623	4,856,192
Income tax benefit	0	(36,884)	0	(41,748)
(c) Amounts recognised directly in equity				
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity				
Deferred tax				
- property revaluations	0	(41,748)	0	(41,748)
	0	(41,748)	0	(41,748)
(d) Unrecognised temporary differences				
The following deferred tax assets have not been brought to account as assets:				
Tax losses – revenue (no set expiry period)	18,705,394	16,164,231	18,907,493	16,356,712
Unused foreign withholding tax credits (expire July 2013)	213,015	213,015	213,015	213,015
	18,918,409	16,377,246	19,120,508	16,569,727

The foreign withholding tax relates to the German Tax jurisdiction. Income tax losses were incurred in the Australian and French tax jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 6: INCOME TAX EXPENSE (CONT.)

(e) Tax consolidation

Relevance of tax consolidation to the Group

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

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 7: CASH AND CASH EQUIVALENTS				
Current				
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the balance sheets as follows:				
Cash at bank and on hand	2,695,380	612,980	2,637,306	511,653
Deposits at call	9,916,864	4,144,220	9,860,000	4,036,028
	12,612,244	4,757,200	12,497,306	4,547,681

(a) Cash at bank and on hand

The cash at bank and on hand are both non-interest bearing (2010: \$1,202,802; 2009: \$3,128) and interest bearing (2010: \$1,492,578; 2009: \$609,852) with rates between 4.5% and 3.25% (2009: 3.75% and 2.5%).

(b) Deposits at call

The deposits at call are interest bearing at rates between 5.6% and 5.5% (2009: between 7.55% and 3.75%). These deposits have an average maturity of 49 days (2009: 30 days).

(c) 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.

(d) Restricted cash

The Group holds \$550,000 of cash in a restricted account.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 8: TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	562,226	630,127	296,480	321,609
Allowance for doubtful debts	(3,039)	0	(3,039)	0
	559,187	630,127	293,441	321,609
Other receivables	287,917	145,312	139,152	64,005
Amounts receivable from wholly owned subsidiaries	0	0	1,804,479	2,832,855
	847,104	775,439	2,237,072	3,218,469

NOTE 8: TRADE AND OTHER RECEIVABLES (CONT.)

The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at three times the official cash rate on the outstanding balance. This does not apply to intercompany receivables as there is no set repayment date. Trade receivables between 30 days and 60 days are provided for based on estimated irrecoverable amounts from the sale of goods and rendering of services, determined by reference to past default experience.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	0	0	0	0
Impairment losses recognised on receivables	3,039	0	3,039	0
Balance at the end of the year	3,039	0	3,039	0

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 further credit provision required in excess of the allowance for doubtful debts.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 9: INVENTORIES				
Current				
Raw materials and stores – at cost	113,075	122,400	0	0

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 10: OTHER ASSETS				
Current				
Prepayments	297,404	225,073	103,424	96,807
Accrued interest & grants receivable	26,236	7,393	26,236	7,393
	323,640	232,466	129,660	104,200

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 11: OTHER FINANCIAL ASSETS				
Non-Current				
Shares in subsidiaries – at cost	0	0	8,561,280	8,561,280

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 11: OTHER FINANCIAL ASSETS (CONT.)

Controlled entities

		PERCENTAGE OWNED (%)	
		2010	2009
Parent entity			
Bionomics Limited	Australia		
Subsidiaries of Bionomics Limited:			
Neurofit SAS	France	100	100
Iliad Chemicals Pty Limited	Australia	100	100
Bionomics Inc	United States	100	100

NOTE 12: PROPERTY, PLANT AND EQUIPMENT	Administra- tive plant & equipment \$	Scientific plant & equipment \$	Building fitouts \$	Freehold land and building at fair value \$	Refrigera- tion plant and equipment \$	Total \$
CONSOLIDATED						
Gross carrying amount at 1 July 2008	418,196	2,131,634	2,244,258	6,690,592	87,500	11,572,180
Additions	18,658	153,341	0	0	0	171,999
Disposals	0	(136,420)	0	0	0	(136,420)
Revaluations	0	0	0	0	0	0
Foreign currency exchange differences	8,589	10,882	0	0	0	19,471
Gross carrying amount at 1 July 2009	445,443	2,159,437	2,244,258	6,690,592	87,500	11,627,230
Additions	39,282	3,629	0	0	0	42,911
Disposals	(36,310)	(418,640)	(7,755)	0	0	(462,705)
Revaluations	0	0	0	(201,870)	0	(201,870)
Foreign currency exchange differences	(29,988)	(18,819)	0	0	0	(48,807)
Gross carrying amount at 30 June 2010	418,427	1,725,607	2,236,503	6,488,722	87,500	10,956,759
Accumulated depreciation amount at 1 July 2008	(247,211)	(1,822,071)	(821,859)	0	(63,207)	(2,954,348)
Disposals	0	110,215	0	0	0	110,215
Revaluations	0	0	0	139,161	0	139,161
Foreign currency exchange differences	(4,035)	(7,141)	0	0	0	(11,176)
Depreciation (note 5)	(55,490)	(105,434)	(207,524)	(139,161)	(24,293)	(531,902)

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

	Administra- tive plant & equipment \$	Scientific plant & equipment \$	Building fitouts \$	Freehold land and building at fair value \$	Refrigera- tion plant and equipment \$	Total \$
Accumulated depreciation amount at 1 July 2009	(306,736)	(1,824,431)	(1,029,383)	0	(87,500)	(3,248,050)
Disposals	35,108	411,570	7,490	0	0	454,168
Revaluations	0	0	0	201,870	0	201,870
Foreign currency exchange differences	16,937	6,506	0	0	0	23,443
Depreciation (note 5)	(39,622)	(81,083)	(158,085)	(201,870)	0	(480,660)
Accumulated depreciation amount at 30 June 2010	(294,313)	(1,487,438)	(1,179,978)	0	(87,500)	(3,049,229)
Net Carrying amount 30 June 2009	138,707	335,006	1,214,875	6,690,592	0	8,379,180
Net Carrying amount 30 June 2010	124,114	238,169	1,056,525	6,488,722	0	7,907,530

PARENT

Gross carrying amount at 1 July 2008	249,342	1,681,510	2,237,133	6,690,592	87,500	10,946,077
Additions	0	84,986	0	0	0	84,986
Disposals	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Gross carrying amount at 1 July 2009	249,342	1,766,496	2,237,133	6,690,592	87,500	11,031,063
Additions	25,169	0	0	0	0	25,169
Disposals	(31,582)	(420,021)	(630)	0	0	(452,233)
Revaluations	0	0	0	(201,870)	0	(201,870)
Gross carrying amount at 30 June 2010	242,929	1,346,475	2,236,503	6,488,722	87,500	10,402,129
Accumulated depreciation amount at 1 July 2008	(155,328)	(1,585,176)	(814,734)	0	(63,207)	(2,618,445)
Disposals	0	0	0	0	0	0
Revaluations	0	0	0	139,161	0	139,161
Depreciation (note 5)	(26,424)	(52,989)	(207,524)	(139,161)	(24,293)	(450,391)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONT.)	Administra- tive plant & equipment \$	Scientific plant & equipment \$	Building fitouts \$	Freehold land and building at fair value \$	Refriger- ation plant and equipment \$	Total \$
PARENT						
Accumulated depreciation amount at 1 July 2009	(181,752)	(1,638,165)	(1,022,258)	0	(87,500)	(2,929,675)
Disposals	28,852	414,539	365	0	0	443,756
Revaluations	0	0	0	201,870	0	201,870
Depreciation (note 5)	(16,911)	(45,450)	(158,085)	(201,870)	0	(422,316)
Accumulated depreciation amount at 30 June 2010	(169,811)	(1,269,076)	(1,179,978)	0	(87,500)	(2,706,365)
Net Carrying amount 30 June 2009	67,590	128,331	1,214,875	6,690,592	0	8,101,388
Net Carrying amount 30 June 2010	73,118	77,399	1,056,525	6,488,722	0	7,695,764

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

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

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

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

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Land	125,000	125,000	125,000	125,000
Buildings	3,145,145	3,241,361	3,145,145	3,241,361
	3,270,145	3,366,361	3,270,145	3,366,361

Non-current assets pledged as security

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

**NOTE 13:
INTANGIBLE ASSETS
CONSOLIDATED**

	Goodwill \$	Intellectual Property \$	Total \$
Gross carrying amount at 1 July 2008	5,147,990	7,148,820	12,296,810
Additions	0	3,666	3,666
Disposals	0	0	0
Revaluations	0	0	0
Foreign currency exchange differences	0	130,312	130,312
Gross carrying amount at 1 July 2009	5,147,990	7,282,798	12,430,788
Additions	0	2,992	2992
Disposals	0	0	0
Revaluations	0	0	0
Foreign currency exchange differences	0	(395,498)	(395,498)
Gross carrying amount at 30 June 2010	5,147,990	6,890,292	12,038,282
Accumulated amortisation amount at 1 July 2008	0	(1,457,740)	(1,457,740)
Disposals	0	0	0
Revaluations	0	0	0
Foreign currency exchange differences	0	(13,321)	(13,321)
Amortisation (note 5)	0	(501,726)	(501,726)
Accumulated amortisation amount at 1 July 2009	0	(1,972,787)	(1,972,787)
Disposals	0	0	0
Revaluations	0	0	0
Foreign currency exchange differences	0	119,144	119,144
Amortisation (note 5)	0	(473,761)	(473,761)
Accumulated amortisation amount at 30 June 2010	0	(2,327,404)	(2,327,404)
Net Carrying amount 30 June 2009	5,147,990	5,310,011	10,458,001
Net Carrying amount 30 June 2010	5,147,990	4,562,888	9,710,878

All intangible assets are held in the consolidated entity.

(a) Intangible assets

The intellectual property includes the Company's Multicore® technology, its BNC105 compound and its Kv1.3 compound with carrying amounts ranging from \$1.3m to \$2.3m. Each item is carried at its fair value as at its date of acquisition, less accumulated amortisation charges. They have not been revalued to fair value as at 30 June 2010.

The remaining amortisation periods for each item is between nine and ten years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 13: INTANGIBLE ASSETS (CONT.)

(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(n)(ii). Impairment testing is performed on each of the cash generating units 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:

	2010 \$	2009 \$
Drug discovery	0	0
Drug development	5,147,990	5,147,990
Contract services	0	0
	5,147,990	5,147,990

Drug discovery

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on a recent contract agreement for drug compounds within the cash generating unit covering a ten year period with an appropriate terminal value, and a discount rate ranging from 15% to 60% per annum (2009: 15% to 60% per annum). The ten year period is based on industry comparables taking into account the lifecycle of the development of compounds.

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

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

No growth rates have been included in the forecast.

Drug development

The recoverable amount of this CGU is also determined based on a value in use calculation which uses cash flow projections based on the same contract agreement for drug compounds within the segment covering a ten year period with an appropriate terminal value, and a discount

rate ranging from 15% to 60% per annum (2009: 15% to 60% per annum). The ten year period is based on industry comparables taking into account the lifecycle of the development of components.

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

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

No growth rates have been included in the forecast.

Contract services

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

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

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

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 14: TRADE AND OTHER PAYABLES				
Current				
Trade payables	1,384,482	1,230,072	908,206	827,789
Accrued expenses	553,230	380,783	329,485	303,679
	1,937,712	1,610,855	1,237,691	1,131,468
Non-current				
Other payables	50,000	50,000	50,000	50,000

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

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 15: BORROWINGS				
Secured – at amortised cost				
Finance lease liabilities (i)	67,970	91,622	67,970	91,622
Building loan agreement (ii)	2,700,620	3,051,700	2,700,620	3,051,700
Bank loan (iii)	550,563	550,563	550,563	550,563
	3,319,153	3,693,885	3,319,153	3,693,885
Disclosed in the financial statements as:				
Current liabilities	626,944	529,016	626,944	529,016
Non-current liabilities	2,692,209	3,164,869	2,692,209	3,164,869
	3,319,153	3,693,885	3,319,153	3,693,885

(i) the three year lease line is secured by the leased scientific equipment (refer note 12) and has an average interest rate of 8.51% per annum (2009: 9.02% per annum).

(ii) the ten year building loan agreement with Land Management Corporation is secured by the land and building (refer note 12) and has interest charged on a quarterly basis at a fixed rate of 6.97% per annum.

(iii) the two year bank loan is secured over a restricted deposit at call.

The unused facilities available at 30 June 2010 of the Group's bank overdraft is \$56,988 (2009: \$65,670).

There is no unused facility in relation to the building loan agreement or the bank loan (Parent: Nil, 2009: Nil).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED		PARENT ENTITY	
NOTE 16: PROVISIONS	2010 \$	2009 \$	2010 \$	2009 \$
Current				
Employee benefits	600,642	542,061	497,909	467,731
Non-current				
Employee benefits	70,680	24,326	70,680	24,326

	CONSOLIDATED		PARENT ENTITY	
NOTE 17: OTHER LIABILITIES	2010 \$	2009 \$	2010 \$	2009 \$
Current				
Tax payable	0	4,605	0	0
Unearned income	70,396	104,386	0	25,000
	70,396	108,991	0	25,000

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

Recognised tax assets
and liabilities

CONSOLIDATED

	Assets		Liabilities		Net	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Deferred tax assets and liabilities are attributable to the following:						
Loans and receivables	179,665	196,974	0	0	179,665	196,974
Accrued income	0	0	(7,871)	(2,218)	(7,871)	(2,218)
Property plant and equipment	0	0	(1,105,375)	(1,105,375)	(1,105,375)	(1,105,375)
Share issue expenses	303,414	288,092	0	0	303,414	288,092
Intangibles patents and trademarks	531,120	531,120	(472,187)	(472,187)	58,933	58,933
Other intangibles	218,383	218,383	0	0	218,383	218,383
Accrued expenses	12,450	12,147	0	0	12,450	12,147
Employee entitlements	172,264	161,069	0	0	172,264	161,069
	1,417,296	1,407,785	(1,585,433)	(1,579,780)	(168,137)	(171,995)
Set off	(1,585,433)	(1,579,780)	1,585,433	1,579,780	0	0
Net deferred tax asset/(liability)	(168,137)	(171,995)	0	0	(168,137)	(171,995)
Unused tax losses:						
Revenue	18,873,531	16,336,226	0	0	18,873,531	16,336,226
Withholding tax	213,015	213,015	0	0	213,015	213,015
	19,086,546	16,549,241	0	0	19,086,546	16,549,241

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES (CONT.)**Recognised tax assets
and liabilities****CONSOLIDATED**

	Assets		Liabilities		Net	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Net unrecognised tax asset	18,918,409	16,377,246	0	0	18,918,409	16,377,246
	168,137	171,995	0	0	168,137	171,995
Net DTA/(DTL) Including tax losses	0	0	0	0	0	0

**Recognised tax assets
and liabilities****PARENT**

	Assets		Liabilities		Net	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Deferred tax assets and liabilities are attributable to the following:						
Loans and receivables	179,665	196,974	0	0	179,665	196,974
Prepayments	0	0	(7,871)	(2,218)	(7,871)	(2,218)
Property plant and equipment	0	0	(1,073,788)	(1,073,788)	(1,073,788)	(1,073,788)
Share issue expenses	365,994	360,291	0	0	365,994	360,291
Intangibles patents and trademarks	447,828	447,828	0	0	447,828	447,828
Accrued expenses	12,450	12,147	0	0	12,450	12,147
Employee entitlements	172,264	161,069	0	0	172,264	161,069
	1,178,201	1,178,309	(1,081,659)	(1,076,006)	96,542	102,303
Set off	(1,081,659)	(1,076,006)	1,081,659	1,076,006	0	0
Net deferred tax asset/(liability)	96,542	102,303	0	0	96,542	102,303
Unused tax losses:						
Revenue	18,873,843	16,326,607	0	0	18,873,843	16,326,607
Withholding tax	213,015	213,015	0	0	213,015	213,015
	19,086,858	16,539,622	0	0	19,086,858	16,539,622
Net unrecognised tax asset	18,918,721	16,377,246	0	0	18,918,721	16,377,246
	168,137	162,376	0	0	168,137	162,376
Net DTA/(DTL) Including tax losses	264,679	264,679	0	0	264,679	264,679

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

CONSOLIDATED

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES (CONT.)	Balance at 1 July 2009 \$	Charged to income \$	Charged to equity \$	Other comprehen- sive income \$	Balance at 30 June 2010 \$
Movements in deferred tax impact of temporary differences during the year:					
Loans and receivables	196,974	(17,310)	0	0	179,664
Prepayments	(2,218)	(5,653)	0	0	(7,871)
Property plant and equipment	(1,105,375)	0	0	0	(1,105,375)
Share issue expenses	288,092	0	15,323	0	303,415
Intangibles patents and trademarks	58,933	0	0	0	58,933
Other intangibles	218,383	0	0	0	218,383
Accrued expenses	12,147	303	0	0	12,450
Unearned revenue	0	0	0	0	0
Employee entitlements	161,069	11,195	0	0	172,264
	(171,995)	(11,465)	15,323	0	(168,137)
Unused tax losses					
Revenue	16,336,226	2,537,617	0	0	18,873,843
Withholding tax	213,015	0	0	0	213,015
	16,549,241	2,537,617	0	0	19,086,858
Not recognised in the current year	16,377,247	2,526,152	15,323	0	18,918,721
Net Balance	0	0	0	0	0

PARENT

	Balance at 1 July 2009 \$	Charged to income \$	Charged to equity \$	Other comprehen- sive income \$	Balance at 30 June 2010 \$
Movements in deferred tax impact of temporary differences during the year:					
Loans and receivables	196,974	(17,309)	0	0	179,665
Prepayments	(2,218)	(5,653)	0	0	(7,871)
Property plant and equipment	(1,073,788)	0	0	0	(1,073,788)
Share issue expenses	360,291	0	5,703	0	365,994
Intangibles patents and trademarks	447,828	0	0	0	447,828
Accrued expenses	12,147	303	0	0	12,450

PARENT

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES (CONT.)	Balance at 1 July 2009 \$	Charged to income \$	Charged to equity \$	Other Comprehen- sive income \$	Balance at 30 June 2010 \$
Unearned revenue	0	0	0	0	0
Employee entitlements	161,069	11,195	0	0	172,264
	102,303	(11,464)	5,703	0	96,542
Unused tax losses					
Revenue	16,326,607	2,547,236	0	0	18,873,843
Withholding tax	213,015	0	0	0	213,015
	16,539,622	2,547,236	0	0	19,086,858
Not recognised in the current year	16,377,246	2,535,772	5,703	0	18,918,721
Net balance	264,679	0	0	0	264,679

NOTE 19: ISSUED CAPITAL (a) Issued and paid-up capital	2010 Shares	2009 Shares	2010 \$	2009 \$
Ordinary shares – fully paid	318,354,279	253,799,591	75,114,469	59,969,571

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

Date	Details	Number of shares	Issue price	\$
1 July 2008	Opening balance	234,940,555		56,098,888
	Share issue – directors’ fees in lieu of cash	291,727	\$0.3437	100,267
	Share issue – BNOOB options exercise	18,200,000	\$0.2200	4,004,000
	Share issue – ESOP option exercise	100,000	\$0.1300	13,000
	Share issue – ESOP option exercise	47,750	\$0.1600	7,640
	Share issue – ESOP option exercise	10,000	\$0.2150	2,150
	Share issue – ESOP option exercise	5,000	\$0.2400	1,200
	Share issue – ESOP option exercise	15,000	\$0.2700	4,050
	Share issue – unlisted option exercise	100,000	\$0.2766	27,660
	Share issue – ESP	89,559	\$0.3465	31,036
	Less capital raising costs – BNOOB exercise	0	0	(320,320)
30 June 2009	Closing balance	253,799,591		59,969,571
	Share issue – directors’ fees in lieu of cash	491,228	\$0.2375	116,668
	Share issue – management salary in lieu of cash	354,526	\$0.2375	84,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 19: ISSUED CAPITAL

(a) Issued and paid-up capital (CONT.)

Date	Details	Number of shares	Issue price	\$
	Share issue - placements	53,333,332	\$0.24	12,800,000
	Share issue - share purchase plan	9,166,602	\$0.24	2,200,000
	Share issue - ESOP option exercise	75,000	\$0.21	15,750
	Share issue - ESOP option exercise	100,000	\$0.11	11,000
	Share issue - ESOP option exercise	380,000	\$0.24	91,200
	Share issue - ESOP option exercise	130,000	\$0.27	35,100
	Share issue - ESOP option exercise	96,000	\$0.16	15,360
	Share issue - ESOP option exercise	78,000	\$0.29	22,620
	Share issue - ESOP option exercise	300,000	\$0.20	60,000
	Share issue - unlisted options	50,000	\$0.26	13,000
	Less capital raising costs - share placements	0	0	(320,000)
30 June 2010	Closing balance	318,354,279		75,114,469

Changes to the Corporations Act (1989) 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 granted.

(i) The Bionomics ESOP

The terms and conditions of the Bionomics ESOP are summarised in note 1(q) (iv).

The options listed below are outstanding at reporting date.

Grant date	Expiry date	Exercise price	Number	Fair value at grant date
Jun-02	Jun-11	\$0.81	293,667	\$0.39
	Jun-12	\$0.81	293,665	\$0.41
Feb-03	Feb-11	\$0.43	10,000	\$0.17
	Feb-12	\$0.43	10,000	\$0.18
	Feb-13	\$0.43	10,000	\$0.19
Jan-04	Jan-11	\$0.30	5,000	\$0.19
	Jan-12	\$0.30	5,000	\$0.20
	Jan-13	\$0.30	5,000	\$0.21
	Jan-14	\$0.30	5,000	\$0.21

NOTE 19: ISSUED CAPITAL**(c) Share options (CONT.)**

Grant date	Expiry date	Exercise price	Number	Fair value at grant date
Mar-04	Mar-11	\$0.37	7,000	\$0.14
	Mar-12	\$0.37	7,000	\$0.15
	Mar-13	\$0.37	7,000	\$0.15
	Mar-14	\$0.37	7,000	\$0.16
	Mar-11	\$0.38	5,000	\$0.14
	Mar-12	\$0.38	5,000	\$0.15
	Mar-13	\$0.38	5,000	\$0.15
	Mar-14	\$0.38	5,000	\$0.16
Sept-04	Nov-10	\$0.24	100,000	\$0.12
	Nov-11	\$0.24	220,000	\$0.13
	Nov-12	\$0.24	300,000	\$0.13
	Nov-13	\$0.24	300,000	\$0.14
Oct-04	Jun-11	\$0.13	340,000	\$0.16
	Jun-12	\$0.13	340,000	\$0.17
	Jun-13	\$0.13	340,000	\$0.17
Jan-05	Feb-11	\$0.30	200,000	\$0.11
	Feb-12	\$0.30	200,000	\$0.12
	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-11	\$0.24	75,000	\$0.12
	Jan-12	\$0.24	50,000	\$0.13
	Jan-13	\$0.24	50,000	\$0.14
	Jan-14	\$0.24	50,000	\$0.14
	Jan-15	\$0.24	50,000	\$0.15
	Jan-16	\$0.24	50,000	\$0.15
May-06	Jul-12	\$0.22	100,000	\$0.12
	Jul-13	\$0.22	100,000	\$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-11	\$0.15	97,300	\$0.12
	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
Jan-07	Jan-12	\$0.22	150,000	\$0.15
Oct-07	Oct-12	\$0.29	189,250	\$0.21
	Oct-13	\$0.29	5,000	\$0.21
	Oct-14	\$0.29	5,000	\$0.23
	Oct-15	\$0.29	5,000	\$0.23
	Oct-16	\$0.29	5,000	\$0.24
	Oct-17	\$0.29	5,000	\$0.25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 19: ISSUED CAPITAL

(c) Share options (CONT.)

Grant date	Expiry date	Exercise price	Number	Fair value at grant date
Jan-08	Jan-13	\$0.38	130,000	\$0.19
	Jan-14	\$0.38	4,000	\$0.19
	Jan-15	\$0.38	4,000	\$0.20
	Jan-16	\$0.38	4,000	\$0.21
	Jan-17	\$0.38	4,000	\$0.22
	Jan-18	\$0.38	4,000	\$0.23
Jul-08	Jul-13	\$0.36	105,000	\$0.16
	Jul-14	\$0.36	25,600	\$0.17
	Jul-15	\$0.36	25,600	\$0.18
	Jul-16	\$0.36	25,600	\$0.19
	Jul-17	\$0.36	25,600	\$0.19
	Jul-18	\$0.36	25,600	\$0.20
Sep-08	Sep-14	\$0.34	54,000	\$0.17
	Sep-15	\$0.34	54,000	\$0.18
	Sep-16	\$0.34	54,000	\$0.19
	Sep-17	\$0.34	54,000	\$0.19
	Sep-18	\$0.34	54,000	\$0.20
Nov-08	Nov-13	\$0.30	100,000	\$0.09
	Nov-14	\$0.30	100,000	\$0.10
	Nov-15	\$0.30	100,000	\$0.10
	Nov-16	\$0.30	100,000	\$0.11
	Nov-17	\$0.30	100,000	\$0.12
	Nov-18	\$0.37	95,000	\$0.02
Nov-08	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-08	Nov-14	\$0.28	20,000	\$0.06
	Nov-15	\$0.28	20,000	\$0.05
	Nov-16	\$0.28	20,000	\$0.06
	Nov-17	\$0.28	20,000	\$0.06
	Nov-18	\$0.28	20,000	\$0.07
Jan-09	Jan-14	\$0.30	195,000	\$0.01
Mar-09	Mar-15	\$0.29	12,120	\$0.06
	Mar-16	\$0.29	12,120	\$0.07
	Mar-17	\$0.29	12,120	\$0.07
	Mar-18	\$0.29	12,120	\$0.08
	Mar-19	\$0.29	12,120	\$0.08
Jun-09	Jun-14	\$0.25	115,200	\$0.06
	Jun-15	\$0.25	54,000	\$0.13
	Jun-16	\$0.25	54,000	\$0.13
	Jun-17	\$0.25	54,000	\$0.14
	Jun-18	\$0.25	54,000	\$0.14
	Jun-19	\$0.25	54,000	\$0.15
Nov-09	Nov-15	\$0.30	100,000	\$0.05
	Nov-16	\$0.30	100,000	\$0.07
	Nov-17	\$0.30	100,000	\$0.08
	Nov-18	\$0.30	100,000	\$0.09
	Nov-19	\$0.30	100,000	\$0.10
			8,900,682	

NOTE 19: ISSUED CAPITAL**(c) Share options (CONT.)**

Grant date	Expiry date	Exercise price	Number	Fair value at grant date
May-06	Jun-11	\$0.22	5,000	\$0.11
			5,000	

Reconciliation of ESOP:

	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening balance at beginning of financial year	10,802,349	\$0.35	9,427,966	\$0.37
Granted during the financial year	500,000	\$0.30	2,838,800	\$0.31
Forfeited during the financial year	(200,000)	\$0.20	(390,000)	\$0.26
Exercised during the financial year	(1,159,000)	\$0.22	(177,750)	\$0.21
Expired during the financial year	(1,042,667)	\$1.16	(896,667)	\$0.62
Closing balance at 30 June	8,900,682	\$0.31	10,802,349	\$0.35
Exercisable at 30 June	6,300,802		7,782,749	

Reconciliation of other unlisted options:

Opening balance at beginning of financial year	355,000	\$1.22	2,891,000	\$0.58
Exercised during the financial year	(50,000)	\$0.26	(100,000)	\$0.28
Expired during the financial year	(300,000)	\$1.40	(2,436,000)	\$0.50
Closing balance at 30 June	5,000	\$0.22	355,000	\$1.22
Exercisable at 30 June	5,000		355,000	

ESOP options exercised during the financial year:

Series	Number exercised	Exercise date	Share price at exercise date
Aug-04	75,000	Nov-09	\$0.35
Sept-04	200,000	Nov-09	\$0.35
	30,000	Mar-10	\$0.335
	70,000	Apr-10	\$0.31
	80,000	May-10	\$0.30
Dec-04	50,000	Dec-09	\$0.375
	80,000	Jan-10	\$0.355
Sept-05	100,000	Nov-09	\$0.35
Apr-06	300,000	Jan-10	\$0.355
Jun-06	96,000	Dec-09	\$0.37
Oct-07	78,000	Dec-09	\$0.37
	1,159,000		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 19: ISSUED CAPITAL (CONT.)

Other unlisted options exercised during the financial year:

Series	Number exercised	Exercise date	Share price at exercise date
Feb-05	50,000	Feb-10	\$0.335
	50,000		

Unlisted options vested and exercisable at the reporting date:

2010 number	2009 number
6,305,802	8,137,749

(iii) Weighted averages

The weighted average remaining contractual life of any unlisted share options outstanding at the end of the year is 3.8 years (2009: 4.5 years).

The assessed fair value at grant date of options granted during the year ended 30 June 2010 is outlined in the Remuneration Report on page 37. The share price at grant date of these options was \$0.32 (2009: ranged between \$0.25 and \$0.37). The expected average price volatility of the Company shares was 44.8% (2009: 72.1%). Expected dividend yield was 0% (2009: 0%) and the average risk free interest rate used was 4.37% (2009: 5.05%). Additional details on options granted in prior years are available in those year's Annual Reports.

NOTE 20: 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(c). The reserve is recognised in profit or loss when the investment is disposed of.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Opening balance	(188,315)	(139,014)	0	0
Adjustment arising from the translation of foreign controlled entity's financial statements	(294,756)	(49,301)	0	0
Closing balance	(483,071)	(188,315)	0	0

(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.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Opening balance	1,029,404	918,757	1,029,404	918,757
Option expense	135,260	110,647	135,260	110,647
Closing balance	1,164,664	1,029,404	1,164,664	1,029,404

(c) Asset revaluation reserve

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

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Opening balance	2,505,509	2,408,096	2,505,509	2,408,096
Land and building revaluation	0	139,161	0	139,161
Deferred tax liability	0	(41,748)	0	(41,748)

NOTE 20: RESERVES (CONT.) (c) Asset revaluation reserve	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Net movement for the year	0	97,413	0	97,413
Closing balance	2,505,509	2,505,509	2,505,509	2,505,509
Total reserves	3,187,102	3,346,598	3,670,173	3,534,913

NOTE 21: ACCUMULATED LOSSES	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Balance at the beginning of the year	(44,621,601)	(37,759,302)	(44,099,197)	(37,348,272)
Net loss for the year	(8,214,082)	(6,862,299)	(8,475,117)	(6,750,925)
Balance at the end of the year	(52,835,683)	(44,621,601)	(52,574,314)	(44,099,197)

NOTE 22: CONTINGENCIES

Service commitments

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

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

NOTE 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 a going concern whilst maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2009. The capital structure of the Group consists of debt, which includes borrowings disclosed in note 15, cash and cash equivalents (note 7) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 19, 20 and 21 respectively.

The Group operates globally, primarily 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 through local banks.

Categorisation of financial instruments:	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Financial assets				
Loans and receivables	847,104	775,439	2,237,068	3,218,469
Cash and cash equivalents	12,612,244	4,757,200	12,497,306	4,547,681
	13,459,348	5,532,639	14,734,374	7,766,150
Financial liabilities at fair value through profit or loss				
	5,067,090	5,059,919	4,483,310	4,717,387
Reconciliation to total assets				
Financial assets (as above)	13,459,348	5,532,639	14,734,374	7,766,150
Non financial assets	18,055,123	19,192,047	16,651,387	17,031,547
	31,514,471	24,724,686	31,385,761	24,797,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 23: FINANCIAL INSTRUMENTS (CONT.)

Categorisation of financial instruments:	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Reconciliation to total liabilities				
Financial liabilities (as on previous page - above)	5,067,090	5,059,919	4,483,310	4,717,387
Non financial liabilities	981,493	970,199	692,123	675,023
	6,048,583	6,030,118	5,175,433	5,392,410

(b) Financial risk management objectives

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.

(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 does not use derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

(d) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with established policies. The Group has a US\$250,000 receivable (2009: US\$250,000) which was paid within 30 days of recognition, therefore there is no significant foreign currency risk. The Group also has a US\$ bank account with a balance of US\$1,024,656 (2009: US\$311,766) at balance date. These funds will be used to meet future US\$ commitments.

(e) Interest rate risk management

The Company and the Group are 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.

(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 by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Included in note 15 is a listing of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk.

(h) Liquidity and interest rate risk

The following tables detail the Company's and the Group's remaining contractual maturity for its non-derivative 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 Company and the Group can be required to pay. The table includes both interest and principal cash flows.

NOTE 23: FINANCIAL INSTRUMENTS (CONT.)

	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 + years
CONSOLIDATED	%	\$	\$	\$
2010				
Non-interest bearing	0	1,747,937	0	0
Finance lease liability	8.51	49,056	22,414	0
Fixed interest rate instruments	6.97	753,309	2,992,801	0
TOTAL		2,550,302	3,015,215	0
2009				
Non-interest bearing	0	1,366,034	0	0
Finance lease liability	9.02	57,344	42,897	0
Fixed interest rate instrument	6.97	672,747	2,690,988	336,373
TOTAL		2,096,125	2,733,885	336,373
PARENT ENTITY				
2010				
Non-interest bearing	0	1,164,157	0	0
Finance lease liability	8.51	49,056	22,414	0
Fixed interest rate instruments	6.97	753,309	2,992,801	0
TOTAL		1,966,522	3,015,215	0
2009				
Non-interest bearing	0	1,023,502	0	0
Finance lease liability	9.02	57,344	42,897	0
Fixed interest rate instruments	6.97	672,747	2,690,988	336,373
TOTAL		1,753,593	2,733,885	336,373

(i) Interest rate sensitivity analysis

The Group has no significant exposure to interest rate variability on its core borrowings which are on fixed rate terms. The Group has significant funds on short term deposit that are subject to interest rate variability and may impact future cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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

Dr Peter Jonson (retired 4 November 2009)

(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
Mr Trevor Thiele	Chief Financial Officer and Company Secretary (appointed 14 December 2009)
Mr Stephen Birrell	Chief Financial Officer and Company Secretary (resigned 18 December 2009)

(c) Key management personnel compensation

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Short term employee benefits	1,058,533	1,011,380	912,304	878,469
Post employment benefits	63,737	54,283	63,737	54,283
Share based payments	310,955	173,086	308,578	166,351
Total key management personnel compensation	1,433,225	1,238,749	1,284,619	1,099,103

NOTE 25: EXTERNAL AUDITORS' REMUNERATION	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
During the year the following services were paid and payable to the external auditor:				
ASSURANCE SERVICES				
(a) Audit services				
Fees paid and payable for:				
• Audit and review of financial statements and other audit work under the Corporations Act 2001	89,000	76,250	89,000	76,250

NOTE 25: EXTERNAL AUDITORS' REMUNERATION (CONT.)	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
• Other audit services	11,449	0	11,449	0
Fees paid for audit of subsidiary	13,048	18,458	0	0
Total remuneration for audit services	113,497	94,708	100,449	76,250
(b) Taxation services				
Fees paid and payable to for:				
• Tax compliance services, including review of Company income tax returns	36,776	10,500	24,660	10,500
Total remuneration for taxation services	36,776	10,500	24,660	10,500

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. In 2009-2010 these assignments were restricted to tax compliance services.

NOTE 26: COMMITMENTS FOR EXPENDITURE

(a) Finance leases

The Group leases scientific equipment with a carrying amount of \$68,748 (2009: \$107,044) for a period of three years. Under the terms of the lease, the Group retains ownership at the completion of the agreed term.

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Commitments in relation to the finance lease that are payable:				
Within one year	49,056	57,344	49,056	57,344
Later than one year but not greater than five	22,415	42,897	22,415	42,897
Minimum lease payments	71,471	100,241	71,471	100,241
Future finance charges	(3,501)	(8,619)	(3,501)	(8,619)
Total lease liabilities	67,970	91,622	67,970	91,622
Represented by:				
Current (note 15)	49,056	56,808	49,056	56,808
Non-current (note 15)	18,914	34,814	18,914	34,814
	67,970	91,622	67,970	91,622

(b) Operating leases

The Group has operating leases for various scientific and office equipment. Under the terms of these leases, the Group has no ownership at the completion of the agreed term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 26: COMMITMENTS FOR EXPENDITURE (CONT.)	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Commitments in relation to the operating leases that are payable:				
Within one year	165,230	197,111	6,171	2,236
Later than one year but not greater than five	100,099	292,313	20,568	0
Minimum lease payments	265,329	489,424	26,739	2,236

(c) Rental arrangements

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(d).

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Future rental income receivable:				
Within one year	219,264	219,264	219,264	219,264
Later than one year but not greater than five	219,264	438,528	219,264	438,528
	438,528	657,792	438,528	657,792

NOTE 27: EVENTS OCCURRING AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the reporting period and the date of this report which significantly affects or may significantly affect the results of the operations of the Group.

NOTE 28: CASH FLOW INFORMATION	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Reconciliation of operating loss after income tax to net cash outflow from operating activities				
Loss after income tax	(8,214,082)	(6,862,299)	(8,475,117)	(6,750,925)
Items in loss				
Depreciation and amortisation	954,421	1,033,628	422,316	450,391
Directors' fees and share based payments	336,128	241,945	336,128	241,945
Income tax benefit	0	(37,143)	0	(41,748)
Net foreign exchange differences	52,768	(45,217)	0	(45,217)
Interest received and receivable	(487,386)	(286,821)	(486,028)	(282,953)
Changes in operating assets and liabilities				
Decrease/(Increase) in debtors and other assets	(151,559)	1,533,674	949,604	1,735,076
Decrease/(Increase) in other operating assets	0	0	0	0
Decrease/(Increase) in inventory	9,325	(50,210)	0	0
Income tax benefit	0	0	0	0

**NOTE 28: CASH FLOW INFORMATION
(CONT.)**

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Movement in provisions	129,260	188,414	76,319	31,340
Increase/(Decrease) in unearned income	(33,990)	(141,682)	(25,000)	0
Increase/(Decrease) in creditors and accruals	305,490	(560,412)	140,089	(451,042)
Net cash outflows from operating activities	(7,099,625)	(4,986,123)	(7,061,689)	(5,113,133)

**NOTE 29: NON-CASH FINANCING
ACTIVITIES**

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Directors' fees and management salaries satisfied by the issue of shares	200,867	100,266	200,867	100,266
	200,867	100,266	200,867	100,266

NOTE 30: LOSS PER SHARE

	CONSOLIDATED	
	2010 cents	2009 cents
Basic and diluted loss per share	(2.7)	(2.8)

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.

	CONSOLIDATED	
	2010 number	2009 number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted loss per share	300,798,854	242,977,517

Changes to shares and potential ordinary shares since balance date

Since balance date 640,000 (2009: Nil) unlisted options have been issued pursuant to the Bionomics ESOP.

Information concerning the classification of securities

The unlisted options have not been included in the determination of basic and diluted earnings per share. Details relating to the options are set out in note 19(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 31: RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is Bionomics. Interests in subsidiaries are set out in note 11.

(b) Key management personnel

Disclosures relating to compensation of key management personnel are set out in note 24.

(c) Transactions with related parties

The following transactions occurred with related parties

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Research and development expenses paid to subsidiaries	0	0	(887,501)	(662,344)
Corporate support fees received from subsidiaries	0	0	299,197	351,816

(d) Outstanding balances arising from sales and purchases of services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2010 \$	2009 \$	2010 \$	2009 \$
Current receivables				
Subsidiaries	0	0	1,804,479	2,832,855

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expenses have been recognised in respect of bad or doubtful debts due from related parties.

(e) Loans to and from related parties

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

(f) Equity instrument disclosures relating to key management personnel

- (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(q)(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 personally related parties) of the Group are set out below. All options that are vested are exercisable.

**NOTE 31: RELATED PARTY
TRANSACTIONS (CONT.)**

2010 OPTIONS

Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at year end	Vested and exercisable at year end
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DIRECTORS

Mr Christopher Fullerton	0	500,000	0	0	500,000	0
Dr Deborah Rathjen	3,457,300	0	(175,000)	(780,000)	2,502,300	1,842,300
Mr Trevor Tappenden ¹	500,000	0	0	0	500,000	300,000
Dr Errol De Souza	500,000	0	0	0	500,000	200,000
Dr Peter Jonson (retired 4 November 2009) ²	1,000,000	0	0	0	1,000,000	1,000,000

OTHER KEY MANAGEMENT PERSONNEL

Dr Emile Andriambeloson	325,800	0	0	0	325,800	245,800
Dr Andrew Harvey	250,000	0	0	0	250,000	50,000
Dr Gabriel Kremmidiotis	350,000	0	(20,000)	(40,000)	290,000	290,000
Mr Trevor Thiele (appointed 14 December 2009)	0	0	0	0	0	0
Mr Stephen Birrell (resigned 18 December 2009)	674,000	0	(474,000)	(200,000)	0	0

2009 OPTIONS

Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at year end	Vested and exercisable at year end
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DIRECTORS

Dr Peter Jonson ²	1,000,000	0	0	0	1,000,000	800,000
Dr Deborah Rathjen	2,802,300	1,095,000	0	(440,000)	3,457,300	2,457,300
Mr Trevor Tappenden ¹	500,000	0	0	0	500,000	200,000
Dr Errol De Souza	0	500,000	0	0	500,000	100,000
Mr Christopher Fullerton ³ (appointed 23 December 2008)	0	0	0	0	0	0

OTHER KEY MANAGEMENT PERSONNEL

Dr Emile Andriambeloson	238,600	87,200	0	0	325,800	205,800
Mr Stephen Birrell	674,000	0	0	0	674,000	474,000
Dr Andrew Harvey	0	250,000	0	0	250,000	0
Dr Gabriel Kremmidiotis	380,000	50,000	0	(80,000)	350,000	350,000

¹ Held by Kelso Investments Australia Pty Ltd

² Held by Sandhurst Trustees Limited

³ At the beginning of the 2009 financial year, Mr Fullerton had interests in 1,850,000 listed BN00B options held by Mandalay Capital Pty Ltd which were exercised during that year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 31: RELATED PARTY TRANSACTIONS (CONT.)

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

2010 SHARES

Name	Balance at the start of the year	Granted during the year as compensation	Received during the year upon exercise of options	Other changes during the year	Balance at year end
DIRECTORS					
Mr Christopher Fullerton ⁴	4,700,000	125,020	0	0	4,825,020
Dr Deborah Rathjen	996,889	192,000	175,000	[175,000]	1,188,889
Mr Trevor Tappenden ⁵	188,355	57,544	0	0	245,899
Dr Errol De Souza	39,763	76,935	0	0	116,698
Dr Peter Jonson ⁶ (retired 4 November 2009)	716,539	39,729	0	59,781	816,049

OTHER KEY MANAGEMENT PERSONNEL

Dr Emile Andriambeloson	2,889	0	0	0	2,889
Dr Andrew Harvey	0	126,315	0	0	126,315
Dr Gabriel Kremmidiotis	103,197	160,000	20,000	[170,620]	112,577
Mr Trevor Thiele ⁷ (appointed 14 December 2009)	0	0	0	100,000	100,000
Mr Stephen Birrell (resigned 18 December 2009)	100,846	68,211	474,000	[593,057]	50,000

2009 SHARES

Name	Balance at the start of the year	Granted during the year as compensation	Received during the year upon exercise of options	Other changes during the year	Balance at year end
DIRECTORS					
Dr Peter Jonson	637,012	79,527	0	0	716,539
Dr Deborah Rathjen	864,215	132,674	0	0	996,889
Mr Trevor Tappenden	148,592	39,763	0	0	188,355
Dr Errol De Souza	0	39,763	0	0	39,763
Mr Christopher Fullerton ⁴ (appointed 23 December 2008)	4,700,000	0	0	0	4,700,000
OTHER KEY MANAGEMENT PERSONNEL					
Dr Emile Andriambeloson	2,889	0	0	0	2,889
Mr Stephen Birrell	100,846	0	0	0	100,846
Dr Andrew Harvey	0	0	0	0	0
Dr Gabriel Kremmidiotis	103,197	0	0	0	103,197

⁴ Held by Mandalay Capital Pty Ltd

⁵ Held by Kelso Investments Australia Pty Ltd

⁶ Held by Sandhurst Trustees Limited

⁷ Held by Thiele Investments Pty Ltd

(g) 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 2010.

(h) 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.

DIRECTORS' DECLARATION

THE DIRECTORS DECLARE THAT:

- a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) the attached financial statements are in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements;
- c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- d) the directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



Christopher Fullerton
Chairman



Deborah Rathjen
Chief Executive Officer
and Managing Director

Dated this 18 August 2010

INDEPENDENT AUDIT REPORT

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

DX: 664
Tel: +61 (0) 8 8407 7000
Fax: +61 (0) 8 8407 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Bionomics Limited

Report on the Financial Report

We have audited the accompanying financial report of Bionomics Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 41 to 87.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Deloitte.

Auditor's Opinion

In our opinion:

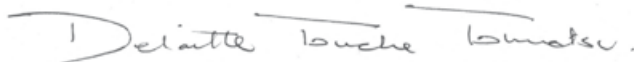
- (a) the financial report of Bionomics Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 39 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Bionomics Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



J J Handel
Partner
Chartered Accountants
Adelaide, 18 August 2010

SHAREHOLDER INFORMATION

All shareholder information provided is current as at 9 August 2010.

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 2010, 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	Number held
Start-up Australia Ventures Pty Limited	88,364,866
Link Traders (Aust) Pty Ltd	31,340,942
The Australian National University Investment Section	23,478,583

Equity Securities

There are 2,955 holders of ordinary shares in Bionomics.

The number of shareholdings held in less than marketable parcels is 477.

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	338	0
1,001 – 5,000	995	1
5,001 – 10,000	524	0
10,001 – 100,000	901	29
100,001 – and over	197	19
Total	2955	49

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	Start-up Australia Ventures	88,364,866	27.76
2	Link Traders (Aust) Pty Ltd	31,340,942	9.85
3	The Australian National University	23,478,583	7.38
4	Welas Pty Ltd	14,465,047	4.54
5	Phillip Asset Management Ltd	13,615,678	4.28
6	National Nominees Limited	13,278,454	4.17
7	Boom Australia Pty Limited	6,697,386	2.10
8	Asia Union Investments Pty Limited	5,725,439	1.80
9	Harbour Nominees Pty Ltd	5,102,853	1.60
10	Mandalay Capital Pty Ltd	4,825,020	1.52
11	ANZ Nominees Limited	4,068,716	1.28
12	JBW Investments Pty Ltd	3,950,000	1.24
13	Weresyd Proprietary Limited	3,444,147	1.08
14	Stephen Rattray & Peta Rattray	3,202,943	1.01
15	Mark & Rebecca Potter	2,517,250	0.79
16	Custom Kit Homes Pty Ltd & Dr Bernard Flynn	2,478,707	0.78
17	Blue Jay Ventures Pty Limited	2,201,334	0.69
18	HSBC Custody Nominees	1,744,668	0.55
19	Dior Mahnken	1,434,568	0.45
20	AW & JE Wilks	1,400,000	0.44
		233,336,601	73.31

Unquoted equity securities	Number on issue	Number of holders
Options issued pursuant to Bionomics Limited Employee Share Option Plan	9,540,682	48
Other unlisted options	5,000	1
	9,545,682	49

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

SENIOR MANAGEMENT

Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Dr Emile Andriambelason	Head of Research, Neurofit
Dr Andrew Harvey	Vice President Drug Discovery
Dr Gabriel Kremmidiotis	Vice President Research and Development
Mr Trevor Thiele	Chief Financial Officer and Company Secretary

SCIENTIFIC ADVISORS

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

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

UNITED STATES

BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
Telephone: 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@bnymellon.com

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





14 September 2010

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Bionomics Limited to be held at 10.30 am on Friday 15 October 2010, in the Banksia Room at the InterContinental Adelaide, North Terrace, Adelaide and have enclosed the Notice of Meeting and Explanatory Notes.

If you are unable to attend the meeting in person, I encourage you to return the enclosed proxy form or to cast your vote online in accordance with the instructions contained in the Notice of Meeting. The proxy form should be returned in the envelope provided, or faxed to our Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), so that it is received by 10.30 am on Wednesday 13 October 2010.

I look forward to your attendance at the meeting.

Yours sincerely

A handwritten signature in black ink that reads "Chris Fullerton".

Christopher Fullerton
Chairman

NOTICE OF ANNUAL GENERAL MEETING 2010

Notice is hereby given that the Annual General Meeting of Bionomics Limited ACN 075 582 740 ("the Company") will be held in the Banksia Room at the InterContinental Adelaide, North Terrace, Adelaide at 10.30 am on Friday 15 October 2010 to transact the business set out below.

Members should refer to the accompanying Explanatory Notes for further information concerning the business to be transacted at this meeting.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the Company's Financial Report for the financial year ended 30 June 2010 and the accompanying Directors' Report and Auditor's Report.

An electronic copy of the Company's Financial Report is available on our website www.bionomics.com.au.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the Remuneration Report for the year ended 30 June 2010 be adopted.

Please note that the vote on this resolution is advisory only and does not bind the directors or the Company.

Resolution 2 – Re-election of Non-Executive Director – Dr Errol De Souza

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Dr Errol De Souza be re-elected as a director of the Company.

Dr Errol De Souza will be retiring at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for re-election.

SPECIAL BUSINESS

Resolution 3 – Approval of Proposed Issue of Share Options to Mr Christopher Fullerton

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rules 7.1 and 10.14 and for all other purposes, the issue to Mr Fullerton of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan, as described in the Explanatory Notes accompanying the Notice of Annual General Meeting, is approved.

Resolution 4 – Approval of Proposed Issue of Share Options to Dr Deborah Rathjen

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purpose of ASX Listing Rules 7.1 and 10.14 and for all other purposes, the issue to Dr Rathjen of 2,500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan as described in the Explanatory Notes accompanying the Notice of Annual General Meeting, is approved.

VOTING EXCLUSION STATEMENT

In relation to Resolutions 3 and 4, the Company will disregard any vote cast on the Resolutions by or on behalf of a director of the Company and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolutions are passed, as well as any associate of any of the above.

Despite the foregoing, the Company is not required to disregard a vote if (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or (b) by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES, POWERS OF ATTORNEY AND CORPORATE REPRESENTATIVES

A member who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote for the member at the meeting. The proxy need not be a member of the Company and may be an individual or a body corporate. For the convenience of members a proxy appointment form is enclosed.

A member who is entitled to cast more than one vote at the meeting may appoint two separate proxies to vote on their behalf. Where two proxies are appointed, the member may specify the proportion or number of votes each proxy is appointed to exercise failing which each proxy may exercise half of the member's votes. Fractions of votes will be disregarded. If a single proxy is appointed by a member that proxy may vote on a show of hands. If two proxies are appointed by a member, neither proxy may vote on a show of hands.

An appointed proxy has the same rights as the member to speak at the meeting and to join in a demand for a poll.

In order to record a valid vote, members will need to take the following steps:

- Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form; or
 - Custodian voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions; or
 - Complete and lodge the proxy form with the Company at the address or facsimile number specified below, along with any power of attorney or notarially certified copy of a power of attorney (if the proxy form is signed pursuant to a power of attorney)
- by no later than 48 hours before the Annual General Meeting (ie *by no later than 10.30 am, Wednesday 13 October 2010*):

Bionomics Limited
c/- Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001
or facsimile 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

A member who is a body corporate may appoint an individual as a representative to exercise the member's voting rights at the Annual General Meeting pursuant to section 250D of the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the meeting.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purpose of the Corporations Act, the Company has determined that all securities of the Company that are quoted securities at 7.00 pm (Adelaide time) on Wednesday 13 October 2010 will be taken, for the purpose of the Annual General Meeting, to be held by the persons who held them at that time.

QUESTIONS AND COMMENTS BY MEMBERS

In accordance with the Corporations Act, the Chairman of the Annual General Meeting will allow a reasonable opportunity for members at the meeting to ask questions about, or make comments on, the management of the Company.

Similarly, the Chairman will allow a reasonable opportunity for members at the meeting to ask questions of a representative of the Company's Auditors, Deloitte Touche Tohmatsu, relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies

adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditors in relation to the conduct of the audit.

Pursuant to the Corporations Act, members may submit a written question to the Company's Auditors relevant to the content of the Auditor's Report to be considered at the Annual General Meeting or the conduct of the audit of the Financial Report to be considered at the Annual General Meeting.

Questions to the Company's Auditors must be given to the Company no later than Friday 8 October 2010. The Company may examine the contents, or make a copy, of any question so submitted. A list of relevant written questions (prepared by the Company's Auditors) will be made available to members attending the Annual General Meeting at the start of the meeting.

The Chairman of the Annual General Meeting will allow a reasonable opportunity at the meeting for a representative of the Company's Auditors to answer any written questions submitted in accordance with the above procedure. If the Company's Auditor has prepared written answers to written questions, the Chairman may allow these to be tabled at the meeting and such written answers will be made available to members as soon as practicable after the meeting.

Please send any written questions for the Company's Auditors to:

Bionomics Limited
31 Dalglish Street
Thebarton SA 5031
or facsimile: (08) 8354 6199
or email: info@bionomics.com.au

by no later than 5:00pm (Adelaide time) on Friday 8 October 2010

By order of the Board

A handwritten signature in dark ink, appearing to read 'Trevor Thiele', written in a cursive style.

Trevor Thiele
Company Secretary

Adelaide 14 September 2010

EXPLANATORY NOTES FOR THE 2010 ANNUAL GENERAL MEETING

These Explanatory Notes have been prepared to assist shareholders with their consideration of the resolutions set out in the Notice of Annual General Meeting dated 14 September 2010.

ORDINARY BUSINESS

RESOLUTION 1: Adoption of Remuneration Report

The Remuneration Report for the year ended 30 June 2010 is set out in the 2009-10 financial statements, which is available on Bionomics' website at www.bionomics.com.au.

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote at the Company's Annual General Meeting. The vote on the proposed resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

The Chairman will allow a reasonable opportunity for members to discuss the Remuneration Report.

RESOLUTION 2: Re-election of Non-Executive Director

Dr Errol De Souza will retire at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for re-election.

Dr De Souza was appointed to the Board on 28 February 2008 and elected at the Annual General Meeting held on 5 November 2008.

Dr De Souza is a leader in research and development concerning the central nervous system (CNS). He is currently CEO of a leading US company Biodel Inc 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 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. Dr De Souza serves on multiple editorial boards, National Institutes of Health Committees and is a director of several public and private companies.

SPECIAL BUSINESS

BACKGROUND

Resolutions 3 and 4 set out in the Notice of Annual General Meeting are being put before shareholders for the purpose of ASX Listing Rules 7.1 and 10.14 (as applicable) and for all other purposes.

(a) Listing Rules 7.1

Broadly speaking, Listing Rule 7.1 provides that a listed company may issue or agree to issue in aggregate up to 15% of its issued capital within any 12-month period without shareholder approval. Any issues of shares beyond this amount must be first approved by shareholders and any issues of shares already approved by shareholders will not be counted in calculating compliance with the 15% limit. If shareholders approve the issue of share options to Mr Christopher Fullerton and Dr Deborah Rathjen (Resolutions 3 and 4), the issue of those share options will not be counted in calculating compliance with the 15% limit.

(b) Listing Rule 10.14

Listing Rule 10.14 requires a listed company to obtain shareholder approval for the issue of securities under an employee incentive scheme (such as the Bionomics Employee Share Option Plan) to certain parties, which includes a director, or an associate of a director, of the Company. As a consequence, the Company is required to obtain shareholder approval before issuing share options to Mr Christopher Fullerton and Dr Deborah Rathjen under the Bionomics Employee Share Option Plan (Resolutions 3 and 4).

RESOLUTION 3: ASX Listing Rules 7.1 and 10.14 - Proposed Issue of Share Options to Mr Christopher Fullerton

Resolution 3 seeks shareholder approval for the proposed issue of share options to Mr Christopher Fullerton.

Resolution 3 is being put to shareholders for the purposes of ASX Listing Rules 7.1 and 10.14 and for all other purposes.

Under the ASX Corporate Governance Principles and Recommendations, the guidelines for non-executive director remuneration provide that non-executive directors should normally be remunerated by way of fees, should not participate in schemes designed for remuneration of executives and should not receive share options.

However, in view of the special circumstances of the Company, namely:

- the Company does not presently have earnings and its cash is at a premium; and
- the Company considers it essential to attract and retain high calibre non-executive directors and to provide those directors with a competitive level of remuneration,

the issue of share options is in the best interests of the Company, and aligns the interests of non-executive directors with the interests of the Company's shareholders.

Mr Fullerton was appointed Chairman of the Company at the Annual General Meeting last year. Consistent with past practice, the Chairman is entitled to a total of 1,000,000 share options and hence Mr Fullerton is entitled to be issued a further 500,000 share options in addition to the 500,000 share options that were issued to him last year as approved at the 2009 Annual General Meeting.

The Company proposes to issue share options to Mr Fullerton as follows:

<i>Non-Executive Director</i>	<i>Number of Share Options</i>	<i>Exercise Period</i>
Mr Christopher Fullerton	500,000	• for 100,000 options, a 5 year period commencing from 4 November 2010; • for 100,000 options, a 5 year period commencing from 4 November 2011; • for 100,000 options, a 5 year period commencing from 4 November 2012; • for 100,000 options, a 5 year period commencing from 4 November 2013; and • for 100,000 options, a 5 year period commencing from 4 November 2014.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rules 7.3 and 10.15:

- (a) the share options will be issued under the Bionomics Limited Employee Share Option Plan ("**Option Plan**") for no consideration (but with an exercise price as described below);
- (b) each share option entitles Mr Fullerton to subscribe for a fully paid ordinary share in the Company at a price of \$0.31 per share at any time during the share option exercise period as

described in the table above. The price of \$0.31 per share is based on the seven (7) day volume weighted average price (VWAP) of the Company's shares in March 2010, when the issue of share options to Mr Fullerton was approved by the Board (subject to approval by shareholders);

- (c) since the last approval of the issue of securities under the Option Plan (approved pursuant to Listing Rule 10.14) Mr Fullerton has received 500,000 share options. These share options were issued for no consideration. These share options were the share options approved by shareholders at the Annual General Meeting of the Company on 4 November 2009 and entitle Mr Fullerton to subscribe for fully paid ordinary shares in the Company at a price of \$0.30 per share;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:

 Mr Christopher Fullerton
 Dr Deborah Rathjen
 Mr Trevor Tappenden
 Dr Errol De Souza
- (e) a voting exclusion statement in respect of Resolution 3 is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Mr Fullerton;
- (g) if Resolution 3 is approved, the share options are expected to be issued by 12 November 2010 (and in any event, no later than 14 January 2011); and
- (h) the share options will be issued for no consideration and therefore no funds will be raised by the issue of the share options. However, to the extent that the share options are exercised, the Company expects that the funds raised by the issue will be used for the Company's research and development projects.

The share options will not be quoted on the ASX.

RESOLUTION 4: ASX Listed Rules 7.1 and 10.14 – Proposed Issue of Share Options to Dr Deborah Rathjen

Resolution 4 seeks shareholder approval for the proposed issue of share options to Dr Deborah Rathjen, the Chief Executive Officer and Managing Director of the Company.

Resolution 4 is being put to shareholders for the purposes of ASX Listing Rules 7.1 and 10.14 and for all other purposes.

The Company proposes to issue 2,500,000 share options to Dr Rathjen under the Option Plan for no consideration (but with an exercise price and other terms as described below). The Board considers that such an arrangement is in the Company's best interests as it aligns the interests of Dr Rathjen with the interests of the Company's shareholders.

The non-executive directors have approved the offer to Dr Rathjen of 2,500,000 share options on the following terms:

- a) 500,000 share options will have an exercise period commencing three years from the date of issue of the share options and ending on that date that is five years after the date of issue of the share options. Each of these share options entitle Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.30 per share at any time during the share option exercise period. The price of \$0.30 per share is based on the seven (7) day VWAP of the Company's shares in August 2010, when the issue of share options to Dr Rathjen was approved by the Board (subject to approval by shareholders). The Board has classified the proposed share options as bonus share options. The rationale for bonus share options, as approved by the Board, is to reward performance whilst at the same time preserving cash.

- b) 2,000,000 share options, providing a longer term share option incentive, will have an exercise period commencing three years from the date of issue of the share options and ending on the date that is five years after the date of issue of the share options. Each of these share options entitles Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.45 per share at any time during the share option exercise period. The price of \$0.45 per share is based on 150% of the seven (7) day VWAP of the Company's shares in August 2010, when the issue of share options to Dr Rathjen was approved by the Board (subject to approval by shareholders). The share options may only be exercised by Dr Rathjen if the Company has completed a major partnering deal for either of Bionomics' clinical stage assets BNC105 or BNC210 on market terms that are acceptable to the Board. If the hurdle is not achieved within five years, the 2,000,000 share options will lapse.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rules 7.3 and 10.15:

- a) the information as outlined in Resolution 3 (a), (c), (d), (g) and (h) applies to this resolution;
- b) a voting exclusion statement in respect of Resolution 4 is set out in the Notice of Annual General Meeting; and
- c) there is no loan in relation to the acquisition by Dr Rathjen.

The share options will not be quoted on the ASX.

Bionomics
ABN 53 075 582 740



Limited

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number:

SRN/HIN:

PIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:30am (Adelaide time) Wednesday 13 October 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Bionomics Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Bionomics Limited to be held in the Banksia Room at the InterContinental Adelaide, North Terrace, Adelaide on Friday 15 October 2010 at 10:30am (Adelaide time) and at any adjournment of that meeting.

Important for Item 3 & 4: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 3 & 4 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3 & 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of items 3 & 4 of business.

☐

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	☐	☐	☐
2 Re-election of Non-Executive Director - Dr Errol De Souza	☐	☐	☐

SPECIAL BUSINESS

3 Approval of Proposed Issue of Share Options to Mr Christopher Fullerton	☐	☐	☐
4 Approval of Proposed Issue of Share Options to Dr Deborah Rathjen	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date ____/____/____