

5 March 2013

The Manager
Company Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Non-Renounceable Rights Issue – Letter to Eligible Shareholders

We advise that Bionomics Limited (ASX: BNO) has today sent the attached letter to Eligible Shareholders in connection with the non-renounceable rights issue announced on 4 March 2013.

Yours sincerely



Melanie Young
Company Secretary

5 March 2013

Dear Shareholder

Letter to Eligible Shareholders

On 4 March 2013, Bionomics Limited (ASX: BNO) (**Bionomics**) announced a 1 for 8 non-renounceable pro rata rights issue (**Offer**) of up to 45,634,962 fully paid ordinary shares in Bionomics (**New Shares**) at an issue price of \$0.36 per New Share to raise up to approximately \$16.4 million before costs and expenses.

The issue price of the New Shares under the Offer represents a discount of 12.20% to the closing price of \$0.41 on 27 February 2013.

The Record Date for the Offer is 6.30pm (Adelaide time) on Wednesday, 13 March 2013 (**Record Date**). Please note that Bionomics' shares will be quoted on an 'ex' basis from Wednesday, 6 March 2013, and therefore any Bionomics shares bought on market on and after this date will not be entitled to participate in the Offer.

The Offer Booklet in connection with the Offer was lodged with the ASX on Monday, 4 March 2013 and is available for viewing on the ASX website at www.asx.com.au. A copy of the Offer Booklet together with a personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) will be sent to Eligible Shareholders shortly.

Use of Funds

Bionomics will use the proceeds of the Offer to advance development programs across its pipeline, including BNC105 which is in international Phase II clinical trials in patients with renal cancer and with ovarian cancer, Bionomics' cancer stem cell directed drug candidate BNC101, and BNC375, Bionomics' drug candidate for the treatment of Alzheimer's disease and other conditions where memory is significantly compromised. The funding will improve Bionomics' capacity to independently advance clinical trials of drug candidates in its pipeline and additionally it will strengthen Bionomics balance sheet ahead of potential new licensing deals.

Summary of Key Features of the Offer

The Offer is open to Bionomics shareholders (**Eligible Shareholders**) who are registered on Bionomics' register of members as a holder of ordinary shares in Bionomics at 6.30pm (Adelaide time) on the Record Date with a registered address in Australia or New Zealand.

The Offer will not be made to other shareholders (**Ineligible Shareholders**). Ineligible Shareholders will be notified by Bionomics separately of their ineligibility. In certain circumstances, the Company may choose (but is not obliged) to treat an Ineligible Shareholder as an Eligible Shareholders.

Under the Offer, Eligible Shareholders will be entitled to subscribe for 1 New Share for every 8 existing Bionomics shares held at the Record Date at an issue price of \$0.36 per New Share.

Fractional entitlements will be rounded up to the nearest number of whole New Shares.

The Offer is being undertaken under section 708AA of the Corporations Act, meaning that Bionomics will not issue a prospectus for the Offer. Instead, an offer document detailing the Offer (**Offer Booklet**) will be sent to Eligible Shareholders on 18 March 2013, together with a personalised Entitlement and Acceptance Form.

The Offer will also incorporate a shortfall facility under which Eligible Shareholders can apply to take up additional New Shares in excess of their pro rata allocation. Applications under the shortfall facility will only be satisfied to the extent there is a shortfall under the Offer and will be subject to the terms and conditions outlined in the Offer Booklet.

Bell Potter Securities Limited has agreed to fully underwrite the Offer. Under the terms of the underwriting agreement, Bell Potter Securities Limited will receive a management fee of 2% of the underwritten amount and a selling and underwriting fee of 3% of the underwritten amount. Bell Potter Securities Limited has entered into agreements to sub-underwrite its underwriting obligation. Further details regarding the underwriting and sub-underwriting are set out in the Offer Booklet.

Offer Timetable

Key Event	Date
Announcement of Offer (Offer Announcement, Cleansing Notice, Appendix 3B and Offer Booklet lodged with ASX)	Monday, 4 March 2013
Notice despatched to Eligible Shareholders	Tuesday, 5 March 2013
Ex-date for Offer	Wednesday, 6 March 2013
Record Date to determine entitlement to participate in Offer	6.30 pm (Adelaide time) on Wednesday, 13 March 2013
Offer Booklet and Entitlement and Acceptance Forms despatched to Eligible Shareholders	Monday, 18 March 2013
Offer opens	Monday, 18 March 2013
Offer closes	5.00pm (Adelaide time) on Wednesday, 3 April 2013
New Shares quoted on a deferred settlement basis	Thursday, 4 April 2013
Shortfall Notice lodged with ASX	Monday, 8 April 2013
Allotment of New Shares	Thursday, 11 April 2013
Deferred settlement trading ends	Thursday, 11 April 2013
New Shares expected to commence trading on ASX on normal settlement basis	Friday, 12 April 2013

These dates are indicative only and are subject to change. Bionomics, with the consent of the Underwriter, reserves the right to amend this indicative timetable without prior notice including, subject to the Corporations Act and the ASX Listing Rules, to extend the latest date for receipt of Entitlement and Acceptance Forms or to cancel the Offer. The commencement of quotation of New Shares is subject to confirmation by ASX.

Capital Structure

The capital structure of Bionomics following the issue of New Shares, assuming that the maximum number of New Shares is issued under the Offer (ignoring the effect of rounding entitlements), will be as follows:

Shares on issue on announcement of the Offer	365,079,694
New Shares to be issued under the Offer	45,634,962
Shares on issue after the Offer	410,714,656

From their date of issue, the New Shares will have the same terms as, and will rank equally with, existing fully paid ordinary shares in Bionomics.

Bionomics also has 9,079,800 unlisted options currently on issue. These options do not carry an entitlement to participate in the Offer.

Participating in the Offer

Before making a decision whether to apply for New Shares, Eligible Shareholders should read the Offer Booklet carefully in its entirety when they receive it.

If you are an Eligible Shareholder and you wish to participate in the Offer, please follow the instructions contained in the Offer Booklet. The Offer closes at 5.00 pm (Adelaide time) on Wednesday, 3 April 2013.

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On behalf of the Board and management of Bionomics, thank you for your continued support.

Yours sincerely



Graeme Kaufman
Chairman