

1 February 2016

Dear Shareholder

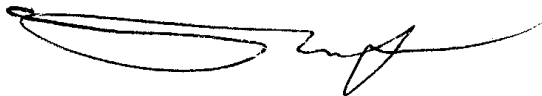
EXTRAORDINARY GENERAL MEETING

I invite you to attend the Extraordinary General Meeting of Bionomics Limited to be held at 2.00 pm on Thursday 3 March 2016, at Radisson Blu Plaza Hotel, Marble Room 1, 27 O'Connell Street, Sydney, New South Wales, Australia 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. You can cast your vote online by visiting www.investorvote.com.au or return the proxy form in the envelope provided, or fax to our Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), so that it is received by 2.00 pm (Sydney Time) on Tuesday 1 March 2016.

I look forward to your attendance at the meeting.

Yours sincerely



Graeme Kaufman
Chairman

BIONOMICS LIMITED (ABN 53 075 582 740)
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of members of Bionomics Limited (*the Company*) will be held at:

Date: Thursday 3 March 2016
Time: 2:00 pm (AEDT)
Venue: Radisson Blu Plaza Hotel
Marble Room 1
27 O'Connell Street,
Sydney, New South Wales
Australia.

This Notice of Extraordinary General Meeting is accompanied by Explanatory Notes that contains an explanation of, and information regarding, the proposed Resolutions. The Explanatory Notes form part of this Notice.

AGENDA

Resolution 1 – Approval for the issue of Warrants for ordinary shares – CVI Investments Inc.

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue Warrants to subscribe for a total of 4,020,747 ordinary Shares in the capital of the Company to CVI Investments Inc. at an issue price of A\$0.5938 per share, on the terms and conditions set out in the Explanatory Notes that accompanies and forms part of this Notice of Extraordinary General Meeting.”

Resolution 2 – Approval for the issue of Warrants for ordinary shares – Empery Group of Companies.

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue Warrants to subscribe for a total of 4,020,747 ordinary Shares in the capital of the Company to the Empery Group of Companies (as further described in the Explanatory Notes) at an issue price of A\$0.5938 per share, on the terms and conditions set out in the Explanatory Notes that accompanies and forms part of this Notice of Extraordinary General Meeting.”

Resolution 3 – Approval for the issue of Warrants for ordinary shares – Sabby Group of Companies.

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue Warrants to subscribe for a total of 4,020,747 ordinary Shares in the capital of the Company to the Sabby Group of Companies (as further described in the Explanatory Notes) at an issue price of A\$0.5938 per share, on the terms and conditions set out in the Explanatory Notes that accompanies and forms part of this Notice of Extraordinary General Meeting.”

Resolution 4 – Approval for the issue of Warrants for ordinary shares – Biotechnology Value Fund Group of Companies.

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue Warrants to subscribe for a total of 4,020,747 ordinary Shares in the capital of the Company to the Biotechnology Value Fund Group of Companies (as further described in the Explanatory Notes) at an issue price of A\$0.5938 per share, on the terms and conditions set out in the Explanatory Notes that accompanies and forms part of this Notice of Extraordinary General Meeting.”

Voting exclusion statement

The Company will disregard any votes cast on each Resolution by a person who may participate in the proposed issue of the Warrants pursuant to that Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if that Resolution is passed and an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- 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
- it is cast by the Chairman of the meeting, as proxy for a person who is entitled to vote, in accordance with the directions 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's share registry 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 Extraordinary General Meeting (*i.e. by no later than 2.00 pm (Sydney time), Tuesday 1 March 2016*):

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 Extraordinary 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 (Sydney time) on Tuesday 1 March 2016 will be taken, for the purpose of the Extraordinary General Meeting, to be held by the persons who held them at that time.

DIRECTORS' RECOMMENDATION

The Directors' of the Company unanimously recommend the approval of the Resolutions and encourage eligible members to vote in favour of the Resolutions. The Chairman of the Extraordinary General Meeting intends to vote undirected proxies in favour of the Resolutions. The Board advises that individual Board members will vote their shareholdings in favour of issuing the Resolutions.

By Order of the Board

**Jack Moschakis
Company Secretary
Bionomics Limited**

Dated: 1 February 2016

EXPLANATORY NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING OF BIONOMICS LIMITED (ABN 53 075 582 740) TO BE HELD AT 2.00 PM (SYDNEY TIME) ON THURSDAY 3 MARCH 2016 AT RADISSON BLU PLAZA HOTEL, MARBLE ROOM 1, 27 O'CONNELL STREET, SYDNEY, NEW SOUTH WALES, AUSTRALIA.

These Explanatory Notes have been prepared in connection with the Extraordinary General Meeting (**EGM**), and contains an explanation of, and information regarding, the proposed Resolutions. It forms part of the Notice of Extraordinary General Meeting.

The Explanatory Notes do not constitute financial product advice, and does not constitute an offer to sell, or an offer to buy, securities in the United States or any other jurisdiction.

Any securities described in this Explanatory Memorandum have not been registered under the US Securities Act of 1933 (**US Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the securities are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available.

Resolutions 1 to 4 – Approval under ASX Listing Rule 7.1 for four proposed issues of Warrants to subscribe for shares

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, without the approval of holders of ordinary securities, issue or agree to issue, during any 12 month period, any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the numbers of ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**).

An issue of equity securities, which has been approved by shareholders of a company under ASX Listing Rule 7.1, does not count towards the Company's Placement Capacity.

Warrants

The purpose of the EGM is to consider the approval of Warrants proposed to be issued by the Company by way of 4 separate issues and 4 separate Resolutions as outlined in the Notice of Meeting. In total, the Warrants provide the holders with the right to subscribe for a total of up to 16,082,988 ordinary shares in the capital of the Company.

In December 2015 the Company undertook a private placement to raise additional funds to conduct a Phase II trial of BNC210 for the treatment of post-traumatic stress disorder (**PTSD**). Currently there are no effective treatments for PTSD which represents a significant opportunity for BNC210. It is estimated that about 8 million Americans, or 3.5% of the US population, suffer from PTSD at any given time. Similarly, an estimated 1 million Australians experience PTSD in any year, and 12% of Australians will experience PTSD during their lifetimes. All existing data indicates that BNC210, which is currently undergoing a Phase II trial to treat Generalised Anxiety Disorder, could be an effective therapy for PTSD patients.

As stated in the Company's announcement to the ASX on 8 December 2015, to fund the trial Bionomics secured US\$12 million from a private placement to US institutional investors by issuing 40,207,472 ordinary shares at A\$0.408 per share with rights to 40,207,472 Warrants to purchase shares at A\$0.5938 per share, of which 16,082,988 Warrants are subject to shareholder approval (**Private Placement**).

Investors in the Private Placement comprised three US institutional investors new to Bionomics' register and one existing US-based institutional shareholder.

The issue of the 40,207,472 placement shares and Warrants to subscribe for up to 24,124,484 shares was made within Placement Capacity and therefore shareholder approval was not required. The issue of the

balance of the Warrants to subscribe for up to 4,020,747 ordinary shares for each of the four investors (a total of up to 16,082,988 ordinary shares) is in excess of Placement Capacity and thus subject to shareholder approval (**Additional Warrants**).

Under the terms of the Private Placement, if shareholder approval for the issue of the Additional Warrants is not obtained, the Company has the option, at its sole election, to:

- pay to each investor who participated in the Private Placement an amount determined by the Black-Scholes option pricing model of their respective Additional Warrants – which could be up to a maximum of A\$1,078,766.42 for each of the four investors, a maximum total of A\$4,315,065.68; or
- issue an equivalent number of Warrants on the same terms and conditions as the Additional Warrants once the Company's Placement Capacity is refreshed in December 2016.

When Placement Capacity is refreshed in December 2016, the Company will be able to issue further securities of up to 15% of its issued capital (which would permit the issue of all 16,082,988 Warrants).

If shareholder approval is not obtained for the issue of the Additional Warrants at the EGM, the Company currently intends to issue the 16,082,988 Warrants once its Placement Capacity is refreshed in December 2016 to satisfy its obligations under the Private Placement, instead of paying investors the amount referred to above in order to ensure full funding for the BNC210 Phase II PTSD clinical trial and continued development of other drug candidates.

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Additional Warrants in respect of Resolutions 1 to 4:

- a) the maximum number of new shares that can be issued (**Warrant Shares**) under the Additional Warrants for which approval is sought is 4,020,747 for each of the four investors under each Resolution, a total of 16,082,988;
- b) the Additional Warrants will be issued in each case within 2 trading days of the Company obtaining shareholder approval at the EGM;
- c) the Additional Warrants will be issued at nil monetary consideration in satisfaction for part consideration for the Private Placement undertaken by the Company in December 2015;
- d) the Additional Warrants will be issued to the four US investors as set out in the table below;

Resolution	Name of US Investor & Number of Warrants Corresponding to each Resolution	Maximum Warrant Shares
1	CVI Investments Inc.	4,020,747
2	Empery Asset Master Ltd. Empery Tax Efficient, LP. Empery Tax Efficient II, LP.	932,248 663,069 2,425,430
3	Sabby Healthcare Master Fund, Ltd. Sabby Volatility Warrant Master Fund, Ltd.	2,680,498 1,340,249
4	Biotechnology Value Fund, LP. Biotechnology Value Fund II, LP. Biotechnology Value Trading Fund OS, LP. Investment 10, LLC. MSI BVF SPV, LLC.	1,655,549 965,277 460,990 304,235 634,696
TOTAL		16,082,988

- e) the term of each Additional Warrant is 5 years from the date of issue.

The issue price of each new Warrant Share upon the Additional Warrant being exercised is A\$0.5938 per share, each Warrant Share being a fully paid ordinary share in the Company and will rank equally with the Company's existing ordinary shares.

If during the term of the Additional Warrants, the Company is subject to a "fundamental transaction", a holder of the Additional Warrants is entitled to require the Company to pay to the holder an amount determined by the Black-Scholes option pricing model to cancel the unexercised portion of the Additional Warrants. A "fundamental transaction" includes certain asset disposal and control transactions, including by way of example, the Company disposing all or substantially all of its assets, the Company being subject to a takeover, scheme of arrangement, merger, or a change of control transaction involving more than 50% of the ordinary shares of the Company not held by the acquiring entity;

- f) as noted in paragraph (c) above, the Additional Warrants will be issued for nil monetary consideration. If all 16,082,988 Additional Warrants are exercised at the price of A\$0.5938 per share, the Company will raise A\$9,550,078.27. Given that the Additional Warrants may be exercised over a 5 year period from the date of issue, as at the date of the Notice of EGM, the Company cannot state with certainty how those funds may be used. However it expects the funds will be used to advance the Company's programs for its drug candidates and general corporate purposes. The proceeds of the Private Placement undertaken by Bionomics in December 2015 will also be used to initiate a Phase II trial of BNC210 for the treatment of PTSD (see below);
- g) the issue date will be as referred to in paragraph (b) above; and
- h) voting exclusion statements in respect of these Resolutions are set out in the Notice of Extraordinary General Meeting.

The Additional Warrants will not be quoted on the ASX.

Proposed use of funds

The Company proposes to use the funds raised from the Private Placement undertaken by the Company in December 2015 to initiate a Phase II trial of BNC210 for the treatment of PTSD. The trial is anticipated to begin enrolment in the first half of 2016 and will enrol patients from sites across Australia and New Zealand. As noted above, the Company expects the funds may be used to advance the Company's programs for its drug candidates and general corporate purposes.

Directors' recommendation

The Directors of the Company unanimously recommend that you vote in favour of the Resolutions. The Board advises that individual Board members will vote their shareholdings in favour of approving the issue of the Additional Warrants.

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



To Vote Online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

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 2:00pm (Sydney Time) Tuesday 1 March 2016

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 or abstain as they choose (to the extent permitted by law). 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 help tab, "Printable 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 →**

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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

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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, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Bionomics Limited to be held at Radisson Blu Plaza Hotel, Marble Room 1, 27 O'Connell Street, Sydney, New South Wales on Thursday 3 March 2016 at 2:00 pm (Sydney time) and at any adjournment or postponement of that meeting.

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.

		For	Against	Abstain
1	Approval for the issue of Warrants for ordinary shares - CVI Investments Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval for the issue of Warrants for ordinary shares - Empery Group of Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval for the issue of Warrants for ordinary shares - Sabby Group of Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval for the issue of Warrants for ordinary shares - Biotechnology Value Fund Group of Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /