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ASX ANNOUNCEMENT
03 February 2017

Bionomics to Receive Milestone Payment from MSD for Initiation of Phase 1 Clinical Study of Candidate Alzheimer's Treatment

Bionomics Limited (ASX:BNO, OTCQX:BNOEF), a biopharmaceutical company focused on the discovery and development of innovative therapeutics for the treatment of diseases of the central nervous system (CNS) and cancer, today announced the completion of the first milestone in its ongoing collaboration with MSD (known as Merck & Co., Inc., Kenilworth NJ, USA in the US and Canada) to develop novel candidates for treatment of cognitive dysfunction associated with Alzheimer's disease. As part of a research collaboration and license agreement announced in June 2014 the first administration of a candidate therapy in a clinical trial triggers a US$10 million milestone payment to Bionomics.

"We are excited that MSD has initiated this clinical trial evaluating a candidate developed under our cognition collaboration. This milestone provides validation of the utility of our drug discovery platform to identify high-quality candidates as well as our strategic approach to partner selected assets," said Bionomics CEO and Managing Director, Dr. Deborah Rathjen. "The portfolio of products under our collaboration with MSD are designed to address cognitive dysfunction in important CNS indications, and Alzheimer's disease is of chief importance among these as there remains an urgent need for new treatments."

Under the 2014 agreement, MSD funds all early-stage and clinical development of any candidate within the collaboration and is responsible for worldwide commercialization. Bionomics received US$20 million in upfront payments and is eligible to receive up to US$506 million for reaching pre-defined research and clinical development milestones, plus eventual undisclosed royalties on any product sales.

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About Bionomics Limited
Bionomics (ASX: BNO) is a global, clinical stage biopharmaceutical company leveraging its proprietary platform technologies to discover and develop a deep pipeline of best in class, novel drug candidates focused on the treatment of serious central nervous system disorders and on the treatment of cancer. Bionomics' lead drug candidate BNC210, currently in Phase 2 for the treatment of generalized anxiety disorder and for post-traumatic stress disorder, is a novel,

proprietary negative allosteric modulator of the alpha-7 (α7) nicotinic acetylcholine receptor. The Company is also developing BNC101, its lead humanized monoclonal antibody targeting a key receptor on cancer stem cells that is overexpressed in metastatic colorectal cancer, metastatic pancreatic cancer and many other solid tumours; BNC101 entered clinical trials in the first quarter of 2016. Bionomics has strategic partnerships with Merck & Co., Inc. (known as MSD outside the United States and Canada) in pain and cognition.

www.bionomics.com.au

Factors Affecting Future Performance

This announcement contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this announcement that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' drug candidates (including BNC210 and BNC101), its licensing agreements with Merck & Co., Inc. and any milestone or royalty payments thereunder, drug discovery programs, ongoing and future clinical trials, and timing of the receipt of clinical data for our drug candidates are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including unexpected safety or efficacy data, unexpected side effects observed in clinical trials, risks related to our available funds or existing funding arrangements, our failure to introduce new drug candidates or platform technologies or obtain regulatory approvals in a timely manner or at all, regulatory changes, inability to protect our intellectual property, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantage, as well as other factors. Results of studies performed on our drug candidates and competitors' drugs and drug candidates may vary from those reported when tested in different settings.

Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this announcement.