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ASX ANNOUNCEMENT

12 December 2016

Warrants Update

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 that it intends to settle its obligation to US Investors ("the New Shareholders") who participated in the December 2015 capital raising through the issuance of the remaining 16,082,988 warrants ("Remaining Warrants"). The proceeds from the December 2015 US\$12m private placement were to fund the Phase 2 trial of BNC210 in patients suffering from post-traumatic stress disorder (PTSD).

Under the terms of the December 2015 capital raising, the New Shareholders are due to receive the Remaining Warrants, by 15 December 2016 or Bionomics must make a cash payment to the New Shareholders based on the value of the Remaining Warrants on 16 December 2016.

The decision to issue the Remaining Warrants was reached after careful consideration by the Board of a range of quantitative and qualitative factors. In particular, the Board concluded that based on current market metrics issuing the Remaining Warrants would be less dilutive to shareholder value per share than the alternative cash payment, which would have totaled approximately \$4.3m to settle the Company's obligation. The retained cash will be deployed to expand the previously announced PTSD trial and build on the continued success of our BNC210 program with the recent announcement of positive results from the Phase 2 trial of BNC210 in patients with Generalised Anxiety Disorder.

The Remaining Warrants will be issued under Bionomics' refreshed placement capacity with a strike price of \$0.5938 and a term of five years. If exercised, the Company would receive approximately \$9.6m in cash and the new shares would account for approximately 3.1% of total issued shares plus existing options and warrants outstanding.

During this calendar year, the Company undertook a shareholder consultation process to strengthen the Board, which resulted in the appointment of Dr Errol De Souza as Non-Executive Chairman and David Wilson, Peter Turner and Alan Fisher joining the Board as Non-Executive Directors.

"The Board of Bionomics Limited remains committed to acting in shareholders' best interests at all times. Together we look forward to an exciting pipeline of opportunities for shareholders in 2017, including advancing compounds from our collaboration with Merck & Co., eagerly awaiting clinical trial results for BNC101, continuing to recruit patients into the ongoing clinical trial of BNC210 in patients with PTSD and exploring new partnership opportunities for our programs" commented Chairman Dr Errol De Souza.

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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 ($\alpha 7$) 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. 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.