

ESSA PHARMA INC.

COMPENSATION COMMITTEE MANDATE

Purpose

The compensation committee (the “**Compensation Committee**”) of ESSA Pharma Inc. (the “**Corporation**”) is responsible for board compensation, the establishment of salaries plus fringe benefits of executive management and senior staff, employee-employer relations and executive compensation disclosure.

Membership and Reporting

1. The Compensation Committee will be comprised of at least two and not more than three members. Each member of the Compensation Committee shall be “independent” within the meaning of National Instrument 58-101 “Disclosure of Corporate Governance Practices” of the securities regulators in Canada and within the meaning of the rules of the Nasdaq Stock Market (“**Nasdaq**”) applicable to compensation committee members, and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgment as a member of the Compensation Committee.
2. Appointments and replacements to the Compensation Committee will be made by the board of directors of the Corporation (the “**Board**”) and will be reviewed on an annual basis. The Board will provide for continuity of membership, while at the same time allowing fresh perspectives to be added.
3. The Compensation Committee may form and delegate authority to subcommittees if deemed appropriate by the Compensation Committee.
4. The chairman of the Compensation Committee will be appointed by a vote of the Board on an annual basis.
5. The Compensation Committee will report to the Board, at the next scheduled meeting of the Board, the proceedings of the Compensation Committee and any recommendations made by the Compensation Committee.

Terms of Reference

1. The Compensation Committee will meet as required, but at least once a year, and within 120 days of the fiscal year end of the Corporation.
2. No business may be transacted by the Compensation Committee at a meeting unless a quorum is present. Two members of the Compensation Committee shall constitute a quorum.
3. The Compensation Committee will review and make recommendations to the Board regarding the corporate goals and objectives, performance and compensation of the Chief Executive Officer (“**CEO**”) on an annual basis. Compensation includes salary, bonuses, stock options, benefits and perquisites.

4. The Compensation Committee is responsible for reviewing and, as appropriate, approving the recommendations of the CEO regarding:
 - a) compensation of the senior officers of the Corporation that report to the CEO;
 - b) the compensation policy of the Corporation, including internal structure, annual review and relationship to market levels and changes;
 - c) significant changes in the Corporation's benefit plan and human resources policies; and
 - d) issuance of stock options to employees, consultants and directors.
5. No member of management, including the CEO, may be present during voting or deliberations relating to his/her compensation. At its discretion, the Compensation Committee shall determine from time to time which members of management may be present during voting or deliberations relating to the compensation of any other member of management (including the CEO).
6. The Compensation Committee may grant incentive stock options to employees, independent contractors, consultants and insiders. The Compensation Committee may grant options without further approval of the Board provided that the grant of stock options is made in accordance with:
 - a) the policy established by the Board with respect to the vesting, pricing and exercise period of such options; and
 - b) the stock option plan of the Corporation.
7. The Compensation Committee will review and recommend changes to the compensation of the Board, as necessary, based on a consideration of factors and issues relevant to the Corporation, as applicable.
8. The Compensation Committee will review and make recommendations to the Board regarding annual bonus policies for senior officers and the incentive-compensation and equity-based plans of the Corporation.
9. The Compensation Committee will annually review the Corporation's compensation policies and practices to consider whether they are aligned with the Corporation's risk management principles and whether they might, or are reasonably likely to, encourage executives and other employees to take inappropriate or excessive risks. In so doing, the Compensation Committee will assess whether any of the Corporation's compensation policies or practices would likely give rise to material risks to the Corporation, or otherwise affect the risks faced by the Corporation and management of those risks.
10. The Compensation Committee must pre-approve services provided to the Corporation at the request of management by compensation consultants or advisors, or any affiliates of compensation consultants or advisors. In particular, such pre-approval shall be required in respect of services provided by any compensation consultant or advisor retained to assist the Board or the Compensation Committee in determining compensation for any of the Corporation's directors or executive officers, and any affiliates of any such compensation consultant or advisor.

11. The Compensation Committee will review the executive compensation disclosure before the Corporation publicly discloses this information, including the Compensation Discussion and Analysis Section of any information circular which contains executive compensation disclosure.
12. The Compensation Committee will review and re-assess the adequacy of this mandate either annually or from time to time, as applicable.
13. The Compensation Committee has the authority, to the extent it deems necessary or appropriate, to retain independent legal or other advisors. The Corporation shall provide appropriate funding, as determined by the Compensation Committee, for payment of compensation to the advisors employed by the Compensation Committee. The Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Compensation Committee, other than in-house legal counsel, only after taking into consideration all factors relevant to that person's independence (including the following six factors and any other factors specified from time to time in the listing standards of Nasdaq):
 - (1) The provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other advisor;
 - (2) The amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
 - (3) The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
 - (4) Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Compensation Committee;
 - (5) Any shares of the Corporation owned by the compensation consultant, legal counsel or other advisor; and
 - (6) Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Corporation.

The Compensation Committee may select, or receive advice from, any compensation advisor that it considers appropriate, including an advisor that is not independent, after considering the relevant independence factors.

Approved by the Board: _____, 2015