

ESSA PHARMA INC.

BOARD MANDATE

Purpose

The board of directors (the “**Board**”) of ESSA Pharma Inc. (the “**Corporation**”) is responsible for the proper stewardship of the Corporation. The Board is mandated to represent the shareholders to select the appropriate Chief Executive Officer (“**CEO**”) of the Corporation, assess and approve the strategic direction of the Corporation, ensure that appropriate processes for risk assessment, management and internal control are in place, monitor management performance against agreed bench marks, develop the Corporation’s approach to corporate governance, and assure the integrity of financial reports.

Membership and Reporting

1. The Board will be comprised of at least three “independent” directors within the meaning of the applicable securities laws, and rules and policies of the stock exchange(s) on which the Corporation’s securities are listed. The Board will have the number of directors as may be determined in accordance with the *Business Corporations Act* (British Columbia) and the Corporation’s articles and bylaws.
2. Appointments to the Board will be reviewed on an annual basis. The Corporate Governance Committee (the “**CGC**”), in consultation with the CEO, is responsible for identifying and recommending new nominees with appropriate skills to the Board.
3. The chairman of the Board (the “**Chairman**”) will be an independent director, unless the Board determines that it is inappropriate to require the Chairman to be independent. If the Board determines that it would be inappropriate to require the Chairman to be independent, then the independent directors shall select from among their number a director who will act as “Lead Director” and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board.
4. The Board will report to the shareholders of the Corporation and will develop, in its discretion, a formal or informal communication policy for the Corporation that includes measures for receiving feedback from the Corporation’s shareholders.

Terms of Reference

Meetings

1. The Board will meet as required, but at least once quarterly.
2. The independent directors will meet as required, without the non-independent directors and members of management, but at least once quarterly.

Meeting Preparation and Attendance

3. In connection with each meeting of the Board and each meeting of a committee of the Board of which a director is a member, each director will:
 - (a) review thoroughly the materials provided to the directors in connection with the meeting and be adequately prepared for the meeting; and
 - (b) attend each meeting in person, by phone or by video-conference depending on the format of the meeting, to the extent practicable.

Corporate Planning

4. The Board will:
 - (a) adopt a strategic planning process and approve a strategic plan each year which takes into account, among other things, the opportunities and risks of the Corporation; and
 - (b) approve and monitor the operational plans and budgets of the Corporation submitted by management at the beginning of each fiscal year.

Risk Management and Ethics

5. The Board will:
 - (a) ensure that the business of the Corporation is conducted in compliance with applicable laws and regulations and according to the highest ethical standards;
 - (b) identify and document the principal risks, including financial risks and other risks that the Corporation must face in the course of its business and ensure the implementation of appropriate systems to manage these risks; and
 - (c) adopt a disclosure policy.

Supervision of Management

6. The Board will:
 - (a) to the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers and that all such officers are creating a culture of integrity throughout the Corporation;
 - (b) ensure that the CEO is appropriately managing the business of the Corporation;
 - (c) ensure appropriate succession planning is in place;
 - (d) establish corporate objectives for the CEO annually and evaluate the performance of the CEO against these corporate objectives;

- (e) consider and approve major business initiatives and corporate transactions proposed by management; and
- (f) ensure the Corporation has internal control and management information systems in place.

Management of Board Affairs

7. The Board will:

- (a) develop a process for the orientation and education of new members of the Board;
- (b) support continuing education opportunities for all members of the Board;
- (c) in conjunction with the CGC, assess the participation, contributions and effectiveness of the Chairman and individual board members on an annual basis;
- (d) monitor the effectiveness of the Board and its committees and the actions of the Board as viewed by the individual directors and senior management;
- (e) establish the committees of the Board it deems necessary to assist it in the fulfillment of its mandate; and
- (f) disclose on an annual basis the mandate and composition of the Board and its committees.

Approved by the Board: _____, 2018