

## ESSA PHARMA INC.

### AUDIT COMMITTEE CHARTER

#### **I. Purpose**

The main objective of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of ESSA Pharma Inc. (the “**Corporation**”) is to act as a liaison between the Board and the Corporation’s independent auditor (the “**external auditor**”) and to assist the Board in fulfilling its oversight responsibilities with respect to the financial statements and other financial information provided by the Corporation to its shareholders and others.

#### **II. Organization**

The Committee shall consist of three or more independent directors, and each member of the Committee shall be qualified to serve on the Committee pursuant to Nasdaq Stock Market rules applicable to the Audit Committee. In addition, at least one member of the Committee shall be an “audit committee financial expert” as defined by the U.S. Securities and Exchange Commission.

The members of the Committee and the chair of the Committee shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director of the Corporation.

The Committee may form and delegate authority to subcommittees when appropriate.

#### **III. Meetings**

The Committee shall meet at least quarterly and as frequently as the Committee deems necessary to fulfill its responsibilities.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

#### **IV. Responsibilities**

- (1) The Committee shall be directly responsible for, and shall review, report and approve of, or where appropriate provide recommendations to the Board as to, the appointment, compensation, retention and oversight of the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (2) The Committee shall also ensure that the external auditor reports directly to the Committee.

- (3) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor.
- (4) The Committee shall review the Corporation's financial statements, management's discussion and analysis of financial condition and results of operations and annual and quarterly earnings press releases before the Corporation publicly discloses this information.
- (5) The Committee shall oversee procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the preceding paragraph, and shall periodically assess the adequacy of those procedures.
- (6) The Committee shall ensure its receipt from the external auditors of a formal written statement delineating all relationships between the auditor and the Corporation, actively engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditor.
- (7) The Committee shall oversee the Corporation's related person transactions policy and review proposed transactions or courses of dealings requiring approval or ratification under such policy.
- (8) The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (9) The Committee shall review the Corporation's program to monitor compliance with the Corporation's Code of Business Conduct and Ethics. The Committee shall also oversee the investigation of any alleged breach of the Code and the taking of appropriate corrective actions where a breach of the Code has occurred.
- (10) The Committee shall annually review and assess its performance, effectiveness and contribution and report the results of such review and assessment to the Board, including any recommended changes to the Corporation's policies and procedures.
- (11) The Committee shall review and assess the adequacy of this charter at least annually.

## **V. Authority**

The Committee shall have the following authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any auditor or tax advisors employed by the Committee; and
- (c) to communicate directly with the external auditor.

Adopted: September [●], 2020