

ESSA PHARMA INC.

CORPORATE GOVERNANCE GUIDELINES

Purpose

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

Board Composition; Meetings

Membership Criteria

1. The Board shall be comprised of a majority of directors who qualify as “independent” directors within the meaning of the listing standards of the Nasdaq Stock Market. 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 of incorporation.

Selection of Directors

2. Composition of the Board will be reviewed on an annual basis. The Corporate Governance and Nomination Committee (the “**CGNC**”), in consultation with the CEO, is responsible for identifying and recommending new nominees with appropriate skills to the Board. In making nominee recommendations, the CGNC will consider:
 - (a) the competencies, skills and diversity of view, experience, skillset, gender and ethnicity considered necessary for the Board as a whole to possess;
 - (b) the competencies, skills and diversity that each existing director brings to the Board;
 - (c) the competencies, skills and diversity each new nominee would bring to the Board; and
 - (d) whether the nominee will be an independent director.

The Board believes that board diversity is important to serving the long-term interests of shareholders. To reflect its commitment to diversity, in connection with the use of a third-party search firm to identify potential director candidates, the CGNC will instruct the search firm to include in its initial list of candidates qualified candidates who reflect diverse backgrounds, including diversity of gender and race or ethnicity. The Board does not believe that term limits or a mandatory retirement age are appropriate at this time.

3. In addition, the CGNC will consider whether each nominee and existing director can devote sufficient time and resources to his or her duties as a member of the Board. In this regard, while the Corporation does not have a policy limiting the number of other public company boards of directors upon which a director may sit, the CGNC shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee or a director is a member. Directors shall provide prior written notice to the chair of the CGNC of any proposed service on the board of directors of a public or private company.
4. Directors shall notify the chair of the CGNC in the event of any significant change in their primary employment or job responsibilities. The CGNC shall consider and recommend to the Board whether the director should continue to serve on the Board in light of the circumstances.

Board Leadership

5. The Board will appoint chairman of the Board (the “**Chairman**”) in the manner that it determines to be in the best interests of the Corporation. If the Chairman is not an independent director, the independent directors shall select an independent director who will act as “**Lead Director**” and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. If the Chairman is an independent director then the duties of the Lead Director described herein shall be a part of the duties of the Chairman. The Lead Director will assist the Board in discharging its stewardship function and provide advice, counsel and mentorship to the CEO, particularly with respect to matters of strategic significance to the Corporation.
6. The Lead Director will promote the delivery of information to the directors on a timely basis, keep the directors fully apprised of all matters which are material to directors at all times, and ensure that the information requested by any director is provided and meets the needs of that director. The Lead Director’s duties will include coordinating the activities of the independent directors, coordinating the agenda for and moderating sessions of the Board’s independent directors and other non-management directors, and facilitating communications between the other members of the Board.
7. In performing the duties described above, the Lead Director is expected to consult with the chairpersons of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee chairpersons.

Meetings

8. The Board will meet as required, but at least once quarterly.
9. The independent directors will meet in executive session, without the non-independent directors and members of management, at each regularly scheduled Board meeting. The Chairman (if independent) or the Lead Director shall preside over such executive sessions.

Meeting Preparation and Attendance

10. 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 in advance 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.

The Board's Roles and Responsibilities

Corporate Planning

1. The Board will:
 - (a) review its 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, on an annual basis, the operational plans and budgets of the Corporation submitted by management.

Risk Management and Ethics

2. The Board will oversee:
 - (a) legal and regulatory compliance and ensure that the business of the Corporation is conducted according to the highest ethical standards; and
 - (b) the identification and management of the principal risks, including financial risks and other risks that the Corporation must face in the course of its business.

Supervision of Management

3. The Board will:
 - (a) periodically review its succession planning for the CEO and senior management;
 - (b) establish corporate objectives for the CEO annually and evaluate the performance of the CEO against these corporate objectives;
 - (c) consider and approve major business initiatives and corporate transactions proposed by management; and
 - (d) oversee the Corporation's implementation of internal control and management information systems.

Management of Board Affairs

4. 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 CGNC, assess the participation, contributions and effectiveness of the Chairman and individual board members on an annual basis; and
 - (d) annually review and assess the performance, effectiveness and contribution of the Board and its committees and consider any recommended changes to the Corporation's policies and procedures.
5. The Board has established the following standing committees: the Audit Committee, the Compensation Committee and the CGNC. The Board may establish additional committees of the Board it deems necessary to assist it in fulfilling its responsibilities.

Reporting

6. 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.

Board Access; Outside Advisers

7. Board members will have access to the Corporation's management and, as appropriate, to the Corporation's outside advisers. Board members shall coordinate such access through the Chairman or Lead Director, as applicable, and the CEO, and Board members will use judgment to ensure that this access is not distracting to the business operation of the Corporation. In addition, members of management may be invited to attend Board meetings where they may share relevant information or insight related to business discussed at the meeting and facilitate oversight over appropriate business operation of the Corporation.
8. The Board and each of its committees will have the power to hire and terminate, at the Corporation's expense, legal counsel, accountants, consultants or other advisers as the Board or any such committee deems necessary.

Board Compensation

1. The Board will determine the form and amount of non-employee director compensation upon the recommendation of the Compensation Committee, which will periodically review the level and form of the Corporation's director compensation.

Approved by the Board: March 31, 2022