

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **July 31, 2018**

**LEXARIA BIOSCIENCE CORP.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation)

**000-52138**  
(Commission File Number)

**20-2000871**  
(IRS Employer  
Identification No.)

**156 Valleyview Road, Kelowna, BC Canada**  
(Address of principal executive offices)

**V1X 3M4**  
(Zip Code)

Registrant's telephone number, including area code **(250) 765-6424**

**N/A**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into a Material Definitive Agreement**

On July 30, 2018, Lexaria announced that they have signed a Definitive Agreement with Hill Street Beverages Co. to license Lexaria's DehydraTECH™, on a semi-exclusive basis, for a term of five (5) years, to produce a line of cannabis-infused alcohol-free beverages for Canadian distribution, following regulatory approval. The Definitive Agreement is the conclusion of the process begun following the announcement of the non-binding letter of intent in April 2018.

US\$56,250 (CDN\$ 73,497), representing a portion of the compensation payable to Lexaria, shall be paid and satisfied in common shares in the capital of Hill Street, at a purchase price of CDN\$0.175, for an aggregate of 419,982 common shares (the “**Compensation Shares**”). The issuance of the Compensation Shares is subject to regulatory approval, including without limitation, the approval of the TSX Venture Exchange.

**Item 7.01 Regulation FD Disclosure**

A copy of the news release announcing that Lexaria has signed a Definitive Agreement with Hill Street Beverage Co. is filed as exhibit 99.1 to this current report and is hereby incorporated by reference.

A copy of the news release announcing that Lexaria has announced significant bioavailability results from its randomized, placebo-controlled, double-blind European human clinical study is filed as exhibit 99.2 to this current report and is hereby incorporated by reference.

**Item 9.01 Financial Statements and Exhibits**

[10.1 Technology License Agreement dated July 30, 2018](#)

[99.1 Press Release dated July 31, 2018](#)

[99.2 Press Release dated August 1, 2018](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**LEXARIA BIOSCIENCE CORP.**

/s/ Chris Bunka

**Chris Bunka**

CEO, Principal Executive Officer

Date: August 1, 2018

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**INTELLECTUAL PROPERTY LICENSE  
#2018CD06**

This document certifies that an Intellectual Property License dated as of July 30, 2018 has been granted by:

**Lexaria CanPharm Corp.**, a Canadian corporation with offices at 156 Valleyview Rd, Kelowna, British Columbia, V1X 3M4, Canada (**“Licensor”**, **“Lexaria”**, **“us”**, **“our”**, **“we”**),

To:

**Hill Street Beverage Co.**, a Canadian corporation with offices at 44 Gwendolen Crescent, Toronto ON, M2N 2L7 (together with its successors and assigns **“Hill Street”**, **“Licensee”**, **“you”**, **“your”**).

**RECITALS**

WHEREAS certain capitalized terms not otherwise defined below are defined in **Exhibit “D”** herein;

WHEREAS, LICENSEE is directly (or indirectly through a partner, as further contemplated in Section 1(a) below) engaged in the business of developing, manufacturing, and selling cannabis-infused products pursuant to licenses issued by the authorities relevant in each and every geographic location referenced within this Agreement, pursuant to regulations promulgated thereby;

WHEREAS, LICENSOR owns and holds, and will make improvements from time to time, on certain intellectual property and technology (**“Technology”**) related to, including but not limited to, the development, testing, and manufacturing process for cannabis-infused products, which Technology is more specifically described in **Exhibit “A”**;

WHEREAS, LICENSEE wishes to utilize the Technology (which shall include any Licensor’s Improvements) of LICENSOR, and LICENSOR desires for LICENSEE to utilize the Technology, to create, test, manufacture and sell, either on its own account or as a contract manufacturer, Consumable Liquids Products (**“End Products,”** as further described in Exhibit B), subject to the terms and conditions set forth herein;

WHEREAS, such End Products shall only be distributed and/or sold by LICENSEE or its Partner as defined in Section 1.a below in compliance with all local and state, licensing requirements applicable to the cannabis industry within Canada or in any other location in which LICENSEE is permitted by this Agreement or an addendum to this Agreement to sell or distribute the End Products (such locations collectively referred to as **“Territory”**);

WHEREAS, the End Products may not be exported from the Territory to any other global location without express written permission granted in advance from the LICENSOR and is subject to entering a separate licensing agreement or by addendum to this Agreement, and always subject to availability among other LICENSOR considerations; and

WHEREAS, the Parties intend and desire for these recitals to be incorporated into the Agreement, and to be bound by any representations or obligations contained therein.

NOW, THEREFORE, in consideration of the promises and the respective covenants and agreements of the parties contained in this Agreement, the Parties hereto agree as follows:

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**LICENSE**

1. **License of Technology:** Subject to certain terms and conditions, LICENSOR hereby grants to LICENSEE each of the licenses more fully defined in Section 2 below.
    - a) **Non-transferable:** The license granted by this Section 1 may not be transferred or sublicensed by LICENSEE without LICENSOR's written consent. However, LICENSEE has the right to sublicense its license to any entity within the Hill Street Group.
    - b) **Other Products:** The Parties agree that LICENSEE is not limited to production of the End Products defined herein, but that LICENSEE may develop, create and test new products that are derived from or otherwise incorporate the Technology and such new products are only to be distributed and/or sold to Permitted Locations (the "New Products"), subject to availability of licenses in the future from Lexaria CanPharm.
  - 2) **Semi-exclusivity and Non-exclusive Licenses.** LICENSEE will have the following rights to produce and sell the End Products during the Term (as defined in Section 4, below) in the Territory using the Technology licensed pursuant to this Agreement.
    - a) **In the Territory:**
      - i) Semi-Exclusive rights for Product A from the Effective Date until five (5) years after the Effective Date, allowing LICENSEE the semi-exclusive ability to continue to manufacture the Product A End Products directly or through its Partner in the Permitted Location within a single Territory for the balance of the term of this Agreement as per Section 4. Semi-Exclusive under this Agreement means that LICENSOR will not permit more than five (5) additional entities to license the Technology for any Hill Street product as defined within this Agreement (see "Definitions").
    - b) **In the Territory:**
      - i) Non-Exclusive right for Product B from the Effective Date until five (5) years after the Effective Date, allowing LICENSEE the non-exclusive ability to continue to manufacture the Product B End Products directly or through its Partner in the Permitted Location within a single Territory for the balance of the term of this Agreement as per Section 4
    - c) **LICENSOR's Products:** LICENSOR shall not be prohibited from licensing or similar arrangements with respect to the Technology outside of the Territory. LICENSOR is expressly permitted to utilize its Technology on any basis it chooses, at any time, for producing and commercializing its own products.
  - 3) **Rights and Obligations Related to the Technology.** Except as expressly provided in this section or elsewhere in this Agreement, neither Party will be deemed by this Agreement to have been granted any license or other rights to the other Party's products, information or other intellectual property rights, either expressly or by implication, estoppel or otherwise.
    - a) **LICENSOR Intellectual Property:** LICENSOR retains full, absolute, and complete rights to all processes covered or described in all of its issued patents and its patent applications filed prior to the date of this Agreement, and any future continuations, continuations in part or divisional applications filed thereto, including but not limited to the US Provisional patent applications, US Utility patent application, and the International patent application, that comprise the Technology ("**Licensor IP**"), unless LICENSOR allows these applications to abandon or lapse, or otherwise fails to protect the Technology. Except as expressly provided for in Section 2, nothing in this Agreement or in the conduct of the Parties shall be interpreted as preventing LICENSOR from granting to any other person a license for use of the Technology or from using the Technology in any manner whatsoever.
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- b) **LICENSEE Intellectual Property:** Any intellectual property resulting solely from LICENSEE's work, know-how, or development that does *not* include nor rely upon the Technology, Licensor IP or jointly owned intellectual property, as described in this Agreement, shall be owned by LICENSEE ("**Licensor IP**").
- c) **Improvements:**
- i) **LICENSOR Improvements:** The entire right and title to the Technology, whether or not patentable, and any patent applications or patents based thereon, which directly relate to and are not severable from LICENSOR IP and which are improvements thereto by LICENSOR, its employees or others acting solely on LICENSOR's behalf shall be owned solely by LICENSOR ("**Licensor Improvements**").
  - ii) **LICENSEE Improvements:** Rights and title to improvements whether or not patentable, and any patent applications or patents based thereon, which directly relate to and are not severable from LICENSOR IP and which are improvements thereto by LICENSEE, its employees or its Partner, as defined by this Agreement, shall be owned by the LICENSEE ("**Licensor Improvements**"). In respect to such Licensee Improvements, LICENSOR grants LICENSEE a license to use the underlying intellectual property supporting any such improvement for so long as this Agreement remains in effect (including any renewal terms) and LICENSOR agrees to negotiate in good faith terms of license renewal after the end of the Term of this Agreement and any renewal terms per Section 4a. If LICENSEE develops any Licensee Improvements, LICENSEE will promptly provide LICENSOR with written notice of such Licensee Improvements to validate LICENSEE'S claim to Licensee Improvements. Following receipt of notice of such Licensee Improvements, LICENSOR shall have the exclusive option during the Term of this Agreement (and any renewal terms) to purchase or license from LICENSEE the Licensee Improvements for LICENSOR's use upon mutually agreeable terms and conditions that the parties shall negotiate in good faith.
  - iii) **Joint Improvements:** Rights and title to the Technology, whether or not patentable, and any patent applications or patents based thereon, which directly relate to and are not severable from LICENSOR IP and which are improvements thereto by both LICENSOR AND LICENSEE shall be jointly owned intellectual property by LICENSOR AND LICENSEE.
  - iv) **Improvements: Assignment.** LICENSEE and LICENSOR hereby represent that all Partners, employees and other persons acting on its behalf in performing its obligations under this Agreement shall be obligated under a binding written agreement to assign, or as it shall direct, all Joint Improvements that include or rely on the Technology conceived or reduced to practice by such Partners, employees or other persons acting on its behalf in accordance with this Agreement to the benefit of LICENSOR and LICENSEE.
  - v) **Improvements: Confidential Information.** All Improvements shall constitute Confidential Information and shall be subject to the confidentiality provisions set forth in this Agreement.
- d) **Inventions: Reporting:**
- i) Upon making any invention that does *not* include or rely upon the Technology LICENSEE has no obligation to share such information of invention with LICENSOR nor inform LICENSOR of said invention, and LICENSEE retains unrestricted rights and ability to use, assign, license, seek patent and other forms of intellectual property protection related to said invention. For the avoidance of doubt, any such new invention, development, technology, and/or intellectual property belongs solely to LICENSEE. Upon making any invention that does or does NOT include or rely upon the Technology, LICENSOR has no obligation to share such information of invention with LICENSEE nor inform LICENSEE of said invention, and LICENSOR retains unrestricted rights and ability to use, assign, license, seek patent and other forms of intellectual property protection related to said invention.
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- e) **Jointly Owned Intellectual Property:** If any patent applications are filed seeking to protect any Joint Improvements (“**Jointly Owned IP**”), each Party shall be named as joint inventors.
  - i) **Prosecution and Maintenance of Jointly Owned Patents.** The Parties shall cooperate to cause the filing of one or more patent applications covering any such Jointly Owned IP. The Parties will mutually agree upon which of them shall be responsible for filing, prosecution and maintenance of Jointly Owned IP. The expenses of such filing, prosecution and maintenance shall be equally shared by the Parties unless one of the Parties assigns all of its rights to the other Party. Both Parties agree to assist the other Party in enforcing its rights in the Jointly Owned IP. The costs of any such assistance or cooperation will be borne by the requesting party.
  - ii) **Jointly Owned IP Rights.** LICENSOR grants to LICENSEE an exclusive, non-sub-licensable, fully-paid, royalty-free, perpetual license to any Jointly Owned IP. Further, LICENSEE grants to LICENSOR an exclusive, non-sub-licensable, fully-paid, royalty-free, perpetual license to any Jointly Owned IP.
- f) **No Challenge.** LICENSEE expressly acknowledges and agrees that all rights in and to the Technology shall remain vested in LICENSOR, and LICENSEE shall not assert any rights to the Technology except as otherwise provided in this Section 3.
- g) **Notice Requirements.** To the extent required by applicable rules and regulations LICENSEE agrees that it will include such patent notices and other proprietary notices on all End Products or related materials that contain any Technology as may be reasonably required by regulators in order to give appropriate notice of all intellectual property rights therein or pertaining thereto.
- h) **Quality Control.**
  - i) LICENSEE agrees to maintain and preserve the quality of the Technology, and to use the Technology in good faith and in a manner consistent with the uses approved herein.
  - ii) LICENSEE shall (a) ensure that all End Products and related materials under the Technology are developed, tested, promoted, manufactured and distributed in a professional manner in compliance with all generally accepted industry standards, and (b) comply in all material respects with any and all laws, rules and regulations that are applicable to the development, testing, promotion, manufacture and distribution of the End Products and such related materials.

**4) Term and Termination.**

- a) **Term and Renewal.** This Agreement shall take effect upon signing by both Parties, and shall remain in effect for the shorter of either five (5) years; or, such circumstances as described in Section 4.c. At any time after the fourth anniversary, this Agreement may be renewed by LICENSEE for an additional five (5) years on terms to be negotiated in good faith based on market conditions at the time of renewal by the Parties.
  - b) **Termination.** This Agreement and the licenses granted hereunder may be terminated prior to the expiration of the initial term or any renewal term of this Agreement as follows:
    - i) This Agreement may be terminated by LICENSOR by written notice to LICENSEE upon the occurrence of any of the following: (i) failure of LICENSEE to pay any license fees for more than sixty (60) days after they become due; (ii) LICENSEE’s violation of the provisions of Sections 7 and 8 or LICENSEE’s material breach of any other term of this Agreement, which breach is not cured within sixty (60) days after written notice of such breach from LICENSOR; (iii) failure of LICENSEE to maintain all required licenses and governmental authorizations required for the conduct of its business or to comply in all material respects with applicable laws; or (iv) LICENSEE ceases operations, makes a general assignment for the benefit of creditors, or is the subject of a voluntary or involuntary bankruptcy, insolvency or similar proceeding.
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ii) This Agreement may be terminated by LICENSEE by (i) written notice to LICENSOR in the event of material breach by LICENSOR of its obligations or representations and warranties under this Agreement, which breach is not cured within sixty (60) days after written notice of such breach from LICENSEE; and (ii) at any time on six (6) months prior written notice by the LICENSEE to the LICENSOR.

c) Effect of Termination. Except as provided for in Section 5, LICENSEE's payment obligations shall extinguish if this Agreement is terminated. If the Agreement expires without any renewal thereof, then LICENSEE must immediately cease and desist all utilization of the Technology for any purpose whatsoever including to manufacture, distribute or sell End Products, except that it may distribute and sell End Products until all finished goods and raw materials inventory that pertains to the Technology has been sold. In any event, upon the natural future expiration of all pending and issued patents as applicable related to the Technology described herein the License Agreement shall expire and LICENSEE shall have no further payment obligations to LICENSOR.

5) **Indemnification.**

a) LICENSEE agrees to indemnify LICENSOR and hold LICENSOR harmless from and against any and all liabilities, losses and expenses arising from (i) LICENSEE's unauthorized use of the Technology; (ii) LICENSEE's failure to comply with applicable laws or to maintain all required licenses and governmental authorizations; (iii) any breach of LICENSEE's representations and warranties set forth herein; and (iv) any liability to third parties as a result of LICENSEE's production, distribution and/or sale of End Products, except as to any liability arising out of the proper use of the Technology.

b) LICENSOR agrees to indemnify LICENSEE and hold LICENSEE harmless from and against any and all liabilities, losses and expenses arising from (i) any breach of LICENSOR's representations and warranties set forth herein; and (ii) any claims of infringement raised by third parties as to the Technology or Licensed Patents.

6) **Confidentiality.** In addition to the Confidentiality Agreement previously entered into by the Parties, at all times during the term of this Agreement (including any renewal term) and thereafter, LICENSEE will not use or disclose and will otherwise keep confidential any trade secrets or proprietary information, including, but not limited to the Technology and other intellectual property of LICENSOR (collectively, the "**Confidential Information**") except to the extent required to perform its obligations under this Agreement. Without limitation of the foregoing, LICENSEE will hold the Confidential Information in confidence and will (a) exercise the same degree of care, but no less than a reasonable degree of care, to prevent its disclosure as LICENSEE would take to safeguard its own confidential or proprietary information, and (b) limit disclosure of Confidential Information, including any notes, extracts, analyses or materials that would disclose Confidential Information, solely to those of its employees who need to know the information for purposes of performing its obligations under this Agreement and who agree to keep such information confidential. Upon termination of this Agreement, LICENSEE shall immediately return all Confidential Information to LICENSOR and LICENSOR shall have the right to conduct an on- site audit of the LICENSEE within three (3) business days of termination to ensure compliance with the terms of this Agreement, at LICENSOR'S expense.

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In addition to the Confidentiality Agreement previously entered into by the Parties, at all times during the term of this Agreement (including any renewal term) and thereafter, LICENSOR will not use or disclose and will otherwise keep confidential any trade secrets or proprietary information and other intellectual property of LICENSEE (collectively, the “**Confidential Information**”) except to the extent required to perform its obligations under this Agreement. Without limitation of the foregoing, LICENSOR will hold the Confidential Information in confidence and will (a) exercise the same degree of care, but no less than a reasonable degree of care, to prevent its disclosure as LICENSOR would take to safeguard its own confidential or proprietary information, and (b) limit disclosure of Confidential Information, including any notes, extracts, analyses or materials that would disclose Confidential Information, solely to those of its employees who need to know the information for purposes of performing its obligations under this Agreement and who agree to keep such information confidential. Upon termination of this Agreement, LICENSEE shall immediately return all Confidential Information to LICENSEE within three (3) business days of termination to ensure compliance with the terms of this Agreement, at LICENSEE’S expense.

- a) Limitations. This section does not apply to any information that: (a) is already lawfully in the receiving Party’s possession (unless received pursuant to a nondisclosure agreement); (b) is or becomes generally available to the public through no fault of the receiving Party; (c) is disclosed to the receiving Party by a third party who may transfer or disclose such information without restriction; (d) is required to be disclosed by the receiving Party as a matter of law (provided that the receiving Party will use all reasonable efforts to provide the disclosing Party with prior notice of such disclosure and to obtain a protective order therefor, with all costs to be borne by the disclosing Party); (e) is disclosed by the receiving Party with the disclosing Party’s approval; or (f) is independently developed by the receiving Party without any use of confidential information. In all cases, the receiving Party will use all reasonable efforts to give the disclosing Party ten (10) days’ prior written notice of any disclosure of information under this Agreement. The Parties will maintain the confidentiality of all confidential and proprietary information learned pursuant to this Agreement for a period of ten (10) years from the date of termination of this Agreement.
  - b) Saving Provision. The Parties agree and stipulate that the agreements contained in this Section are fair and reasonable in light of all of the facts and circumstances of their relationship; however, the Parties are aware that in certain circumstances courts have refused to enforce certain agreements. Therefore, in furtherance of and not in derogation of the provisions of the preceding paragraph the parties agree that in the event a court should decline to enforce the provisions of the preceding paragraph, that paragraph shall be deemed to be modified to restrict non-enforcing Party’s rights under this Agreement to the maximum extent, in both time and geography, which the court shall find enforceable.
- 7) **Limitation of Liability.** EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY AGREED TO IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR LOST PROFITS OR FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY. THE FOREGOING SHALL NOT LIMIT LICENSEE’S LIABILITY FOR UNAUTHORIZED USE BY LICENSEE OF LICENSOR’S TECHNOLOGY.
- 8) **No Warranties. OTHER THAN THE EXPRESS WARRANTIES PROVIDED HEREIN,** LICENSOR MAKES NO EXPRESS WARRANTIES OF MERCHANTABILITY OR FITNESS OR EFFICACY FOR A PARTICULAR PURPOSE OF THE TECHNOLOGY AND/OR ANY END PRODUCTS PRODUCED FROM SAID TECHNOLOGY AND SHALL NOT BE HELD LIABLE FOR PROFITABILITY OF TECHNOLOGY AND/OR END PRODUCTS OR HELD LIABLE UNDER ANY OTHER THEORY OF LIABILITY.
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NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, do hereby agree.

IN WITNESS WHEREOF, Lexaria CanPharm Corp has granted this license.

**“LICENSOR”  
LEXARIA BIOSCIENCE CORP.**

/s/ Chris Bunka, CEO

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**EXHIBIT A**  
**TECHNOLOGY**

The Technology consists of:

(1) the following patent applications, patents granted, and PCT International Patent Applications; (2) all technical know-how and trade secrets in regard to such named patents, including the use, manufacture or formulation thereof, that is owned or controlled by LICENSOR as of the Effective Date of this Agreement, as well as any future continuations, continuations in part or divisional applications filed pursuant to the patent applications. (the "**Licensed Patents**");

**In the USA:**

U.S. Patent Granted No. 9,474,725 awarded October 25, 2016.  
U.S. Patent Granted No. 9,839,612 B2 awarded November 21, 2017  
U.S. Patent Granted No. 9,972,680 B2 awarded May 15, 2018.  
U.S. Patent Granted No. 9,974,739 B2 awarded May 22, 2018  
U.S. Non-Provisional Patent Application No. 62/010,601.  
U.S. Non-Provisional Patent Application No. 62/037,706.  
U.S. Non-Provisional Patent Application No. 62/153,835.  
U.S. Non-Provisional Patent Application No. 62/161,324.  
U.S. Non-Provisional Patent Application No. 62/264,959.  
U.S. Non-Provisional Patent Application No. 62/264,967.  
U.S. Utility Patent Application No. 14/735,844.  
U.S. Patent Pending Application No. 15/565,680  
U.S. Patent Pending Application No. 62/519,511  
U.S. Patent Pending Application No. 62/582,700  
U.S. Patent Pending Application No. 62/642,737

**International Patent Cooperation Treaty Filings:**

PCT International Patent Application No. PCT/US15/35128.

PCT International Patent Application No. PCT/US16/64295.

PCT International Patent Application No. PCT/US16/64296.

**Multiple National Filings:**

Canada, The European Union, China, Japan, Australia, Mexico, and India  
Australian Patent Granted No. 2015274698 awarded June 15, 2017  
Australian Notices of Acceptance 2017203054, 20182562, 2018202584 published May 17, 2018

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**EXHIBIT B**

**END PRODUCT CATEGORIES**

<b>Product Line Name</b>	<b>Product Line Description</b>
Consumable Liquids Products INCLUDING CBD and / or THC products	Any consumable liquid product for consumption by way of ingestion that are infused with marijuana oil or equivalent containing more than 0.3% THC or with hemp oil containing less than 0.29% THC.

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**Lexaria Bioscience and Hill Street Beverage Company Announce Definitive Agreement for Cannabis-Infused Beverages**

**Kelowna, British Columbia and Toronto, Ontario – July 31, 2018** – Lexaria Bioscience Corp. (OTCQX: LXRP; CSE: LXX; the “Company” or “Lexaria”), a drug delivery platform innovator, and Hill Street Beverage Company Inc., (TSXV:BEER; “Hill Street”) jointly announced that they have signed a Definitive Agreement to license Lexaria’s DehydraTECH™, on a semi-exclusive basis, for a term of five (5) years, to produce a line of cannabis-infused alcohol-free beverages for Canadian distribution, following regulatory approval. The Definitive Agreement is the conclusion of the process begun following the announcement of the non-binding letter of intent in April 2018. Terms of the Definitive Agreement were not disclosed.

US\$56,250 (CDN\$ 73,497), representing a portion of the compensation payable to Lexaria, shall be paid and satisfied in common shares in the capital of Hill Street, at a purchase price of CDN\$0.175, for an aggregate of 419,982 common shares (the “**Compensation Shares**”). The issuance of the Compensation Shares is subject to regulatory approval, including without limitation, the approval of the TSX Venture Exchange.

Lexaria’s beverage formulation adaptations use patented technology to act quickly, but without adding any taste or odour, thereby delivering predictable experiences that dissipate more quickly than many other cannabinoid edible products. Lexaria has already lab-tested Hill Street’s alcohol-free red and white wines to formulate cannabinoid-fortified wines, and such tests show virtually zero cannabis taste or odour.

Hill Street CEO, Terry Donnelly, stated, “Our goal is to provide traditional beer and wine drinkers with great tasting products that use cannabis to mimic the onset and duration of effect that has historically come from alcohol, but without alcohol’s toxicity and added calories. While the early versions of our wines infused with Lexaria’s process have shown great promise, we are extremely excited about the progress Lexaria continues to make with their infusion technologies. Lexaria has already demonstrated its importance to our model as a key strategic partner in our business, and this agreement secures our future together. As Hill Street’s progress into producing the world’s finest alcohol-free and cannabis-infused beverages continues, Lexaria has demonstrated that they will continue to innovate and improve on their process. This will help to ensure Hill Street is always at the forefront of producing world-class wine, beer and other adult format beverages.”

Chris Bunka, CEO of Lexaria stated, “Hill Street’s award-winning and great-tasting wines and beers need an odourless and tasteless infusion process like our powerful DehydraTECH™ platform to ensure they will remain that way after the inclusion of cannabis. Our proven ability to render full spectrum cannabis and hemp oil into a water-soluble ingredient with no impact on the taste and smell of complex beverages like wine enables Hill Street to produce adult format beverages that will give consumers the recreational experience of cannabis, while enjoying tastes and experiences consistent with consuming traditional wine, beer and other adult format beverages.”

**About Lexaria Bioscience Corp.** (OTCQX: LXRP) (CSE: LXX)

Lexaria Bioscience Corp. licenses disruptive patented delivery technology that promotes healthier ingestion methods, lower overall dosing and higher effectiveness of lipophilic active molecules. Lexaria has multiple patents pending in over 40 countries around the world and has patents granted in the USA and in Australia for utilization of its DehydraTECH™ delivery technology. Lexaria’s technology provides increases in intestinal absorption rates; more rapid delivery to the bloodstream; and important taste-masking benefits, for orally administered bioactive molecules including cannabinoids, vitamins, non-steroidal anti-inflammatory drugs (NSAIDs), nicotine and other molecules. [www.lexariabioscience.com](http://www.lexariabioscience.com)

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For regular updates, connect with Lexaria on Twitter <https://twitter.com/lexariacorp>



and on Facebook <https://www.facebook.com/lexariabioscience/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Lexaria Bioscience Corp.

Alex Blanchard, Communications Manager

(778) 796-1897

Or

NetworkNewsWire (NNW)

[www.NetworkNewsWire.com](http://www.NetworkNewsWire.com)

**About Hill Street Beverage Company Inc. (TSXV:BEER)**

Founded in 2008, Hill Street Beverage Company is the world's most award-winning company exclusively focused on alcohol-free beer, wines, and adult format beverages. Hill Street products include: Vin(Zero) wines, Vintense wines, Hill Street Craft Brewed Lager, and Designated Draft beer. Hill Street's award-winning products have won the Retail Council of Canada's Grand Prix, and numerous medals and accolades including three Gold, two Silver, and two Bronze Medals at the U.S. Open Beer Championships, and a prestigious Double Gold Medal at the San Francisco International Wine Challenge. As a result of the Royal Assent of Canada's Bill C-45, legislation to allow the sale of cannabis-infused beverages is to occur by October 17, 2019. Hill Street is currently applying for appropriate licenses to permit the production and sale of cannabis infused beverages in Canada, with the view of having infused products available for sale once the regulations permit.

[www.hillstreetbeverages.com](http://www.hillstreetbeverages.com)

For further information:

Press only:

Terry Donnelly, Chairman and CEO, Hill Street Beverage Company Inc.,

[terry@hillstreetbevco.com](mailto:terry@hillstreetbevco.com), (416) 543-4904;

For investors:

Gareth Tingling, Investor Relations,

[gareth@sophicapital.com](mailto:gareth@sophicapital.com), (647) 797-0219



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## FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements. Statements which are not historical facts are forward-looking statements. Any references made by either company mentioned in this press release regarding forward-looking public statements concerning expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, including statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "project", "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements, including but not limited to: that any additional patent protection will be realized or that patent achievements will deliver material results. Such forward-looking statements are estimates reflecting either company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Factors which could cause actual results to differ materially from those estimated by either company include, but are not limited to, government regulation and regulatory approvals, managing and maintaining growth, the effect of adverse publicity, litigation, competition, scientific discovery, the patent application and approval process and other factors which may be identified from time to time in either company's public announcements and filings. There is no assurance that existing capital is sufficient for either company's needs or that either company will be able to raise additional capital. There is no assurance that either company will be capable of developing, marketing, licensing, or selling edible products containing cannabinoids, nicotine or any other active ingredient. There is no assurance that any planned corporate activity, scientific research or study, business venture, letter of intent, technology licensing pursuit, patent application or allowance, consumer study, or any initiative will be pursued, or if pursued, will be successful. There is no assurance that any of either company's postulated uses, benefits, or advantages for patented, patent-pending technology or unpatented processes will in fact be realized in any manner or in any part. No statement herein has been evaluated by the Food and Drug Administration (FDA). Neither company's products are intended to diagnose, treat, cure or prevent any disease.

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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**Significant Bioavailability Results in Human Clinical Trial using Lexaria's  
DehydraTECH™ Powered TurboCBD™ Capsules**

Kelowna, British Columbia – August 1, 2018 – Lexaria Bioscience Corp. (OTCQX: LXP) (CSE: LXX) (the “Company” or “Lexaria”), a drug delivery platform innovator, is pleased to report significant bioavailability results from its randomized, placebo-controlled, double-blind European human clinical study that evaluated TurboCBD™ - a proprietary, DehydraTECH™ powered, cannabidiol (“CBD”) fortified hemp oil capsule developed by Lexaria. The degree and speed of CBD absorption into blood plasma and potential cardiovascular and cognitive performance enhancement in 12 healthy male volunteers were studied.

Key bioavailability data highlights from the study comparing the 90 mg dose of Lexaria's TurboCBD™ to a 90 mg dose of a positive control formulation without Lexaria's DehydraTECH™ technology were as follows:

- 30 Minutes: CBD delivered from Lexaria's TurboCBD™ capsules was absorbed much more effectively than from the positive control, delivering 317% more CBD to blood at the 30-minute mark of the study (i.e., 18.4 ng/mL compared to only 4.4 ng/mL on average respectively [95% CI; p=0.051]);
- 60 Minutes: The TurboCBD™ capsules went on to deliver more CBD to the blood at the 60-minute mark (i.e., 38.8 ng/mL) than the positive control capsules were able to reach *at any time* during the 6-hour study, further demonstrating the exceptional rapidity of action and effectiveness of the TurboCBD™ capsules;
- 90 Minutes: The TurboCBD™ capsules further went on to deliver significantly more CBD to the blood (86% more) than the positive control capsules at the 90-minute mark (i.e., 53.0 ng/mL compared to only 28.4 ng/mL respectively [95% CI; p=0.034]);
- Through to Study Completion: Lexaria's TurboCBD™ capsules continued to deliver more CBD to blood than the positive control capsules at each subsequent time point in the study through to the 6-hour mark when the study was completed.

These results corroborate and confirm earlier *in vitro* and *in vivo* studies that have evaluated Lexaria's DehydraTECH™ technology and have consistently measured higher levels of drug delivery much more quickly than positive controls with matching CBD concentrations. Although this study evaluated absorption only of CBD and its metabolites, Lexaria believes nearly identical bioavailability enhancement results would be achieved if the cannabinoid studied was THC instead of CBD.

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Time (Minutes)	Blood levels following 90 mg TurboCBD™ (ng/mL)	Blood levels following 90 mg Positive Control (ng/mL)	TurboCBD™ Blood Level % Increase from Positive Control
0	0.0	0.0	n/a
30	18.4	4.4	317%
60	38.8	29.9	30%
90	53.0	28.4	86%
120	56.0	33.9	65%
150	41.8	37.0	13%
180	40.5	26.4	53%
240	22.0	16.1	37%
300	14.5	9.2	58%
360	10.3	7.5	38%

These study findings were of particular interest relative to a Mount Sinai study previously completed that tested orally administered CBD supplied by market leader GW Pharmaceuticals PLC at much higher doses of 400 mg and 800 mg [*J. Addict. Med.* 2015 May-Jun; 9(3): 204-210]. CBD delivered in the Mount Sinai study achieved peak blood levels of 181 ng/mL and 221ng/mL respectively at their 400 mg and 800 mg doses tested, respectively. These values equate to blood levels of 40.77 ng/mL and 24.87 ng/mL, respectively, when adjusted for concentration to match Lexaria's 90 mg dosage findings described above.

As such, the Mount Sinai results, although potentially influenced by concomitant opioid administration within that study, were substantially lower than the 56.0 ng/mL peak blood level achieved with Lexaria's TurboCBD™ capsules, and it is further interesting to note that the peak blood levels in the Mount Sinai study required three hours to achieve whereas the Lexaria formulation met and eclipsed these levels when adjusted for dose concentration within only the first 60 minutes of the Lexaria study as noted above. It is also particularly interesting to note the rapidity by which Lexaria's TurboCBD™ capsules at the 90 mg dose achieved concentration-adjusted blood levels that outperformed those from the Mount Sinai study: at the 30-minute time interval, we estimate the TurboCBD™ concentration-adjusted CBD blood level to have been over 900% higher than the levels achieved in the Mount Sinai study.

Lexaria was also pleased that, as expected, blood levels of THC, 11-OH-THC, and THCCOOH were non-detectable, highlighting the absence of THC and the extraordinary CBD purity within the TurboCBD™ capsules. Additional data is still being gathered and analyzed from the study, including other pharmacokinetic study parameters including metabolic data and the outcomes of the cardiovascular and cognitive performance measures that the study also evaluated. Lexaria will provide updates on these and other findings as they become available.

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Few companies around the world have advanced to the state of achieving successful appropriately controlled (i.e., randomized, placebo-controlled and double-blinded) human clinical trial results utilizing cannabinoids. Increasing regulatory scrutiny of CBD by agencies such as the US Food and Drug Administration could result in the necessity of clinical evidence in the future to enable commerce in products containing CBD.

Lexaria has postulated that its DehydraTECH™ technology may effect lymphatic lacteal absorption and delivery that may bypass first-pass liver metabolism, and that this method of action may be responsible for Lexaria's consistently fast and efficient results as demonstrated in this human clinical test and in recent *in vivo* animal tests for delivery of nicotine. Lexaria is pleased that its DehydraTECH™ technology has, to date, repeatedly produced evidence of success within human studies.

#### **About Lexaria**

Lexaria Bioscience Corp. has developed and out-licenses its disruptive delivery technology that promotes healthier ingestion methods, lower overall dosing and higher effectiveness of lipophilic active molecules. Lexaria has multiple patents pending in over 40 countries around the world and has patents granted in the USA and in Australia for utilization of its DehydraTECH™ delivery technology. Lexaria's technology provides increases in intestinal absorption rates; more rapid delivery to the bloodstream; and important taste-masking benefits, for orally administered bioactive molecules including cannabinoids, vitamins, non-steroidal anti-inflammatory drugs (NSAIDs), nicotine and other molecules.

[www.lexariabioscience.com](http://www.lexariabioscience.com)



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