

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended July 31, 2007

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _____ to _____

Commission File Number:

Lexaria Corp.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

20-2000871

(IRS Employer Identification No.)

604 - 700 West Pender Street, Vancouver, BC, V6E 1G8
(Address of principal executive offices)

604-602-1675

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 23,682,000 common shares as of July 31, 2007

Transitional Small Business Disclosure Format (check one): Yes No

TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1: Financial Statements	3
Item 2: Management's Discussion and Analysis	4
Item 3: Controls and Procedures	5
<u>PART II - OTHER INFORMATION</u>	
Item 1: Legal Proceedings	6
Item 2: Defaults Upon Senior Securities	6
Item 3: Submission of Matters to a Vote of Security Holders	6
Item 4: Other Information	6
Item 5: Exhibits	6

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited interim financial statements included in this Form 10-QSB is as follows:

- | | |
|---|---------------------|
| (a) Unaudited interim Balance Sheet as of July 31, 2007. | F-1 |
| (b) Unaudited interim Statements of Changes in Stockholders' Equity and Comprehensive Income | F-2 |
| (c) Unaudited interim Statements of Operations for the three and nine month periods ended July 31, 2007 and 2006; and | F-3 |
| (d) Unaudited interim Statement of Cash Flows for the nine months ended July 31, 2007 and 2006 | F-4 |
| (d) Notes to Unaudited interim Financial Statements | F-5 |

These unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-QSB. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended July 31, 2007 are not necessarily indicative of the results that can be expected for the full year.

LEXARIA CORP.
(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

July 31, 2007
(Unaudited)
(Expressed in U.S. Dollars)

LEXARIA CORP.
(An Exploration Stage Company)

BALANCE SHEETS
(Expressed in U.S. Dollars)

	JULY 31	OCTOBER 31
	2007	2006
	(Unaudited)	(Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 920,082	\$ 1,285,298
Accounts receivable	34,731	11,733
Other receivable	-	1,726
Prepaid expenses and deposit	28,503	-
Total Current Assets	983,316	1,298,757
Capital assets, net	1,089	1,593
Oil and gas properties (Note 4)		
Proved property	179,680	162,308
Unproved properties	2,026,493	1,256,585
	2,206,173	1,418,893
TOTAL ASSETS	\$ 3,190,578	\$ 2,719,243
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 3,865	\$ 1,688
Accrued liabilities	4,612	13,000
Premium on loan payable (Note 5)	-	13,241
Loan payable (Note 5)	50,000	1,986,759
Secured loan payable (Note 6)	455,836	-
Total Current Liabilities	514,313	2,014,688
STOCKHOLDERS' EQUITY		
Share Capital		
Authorized:		
75,000,000 common voting shares with a par value of \$0.001 per share		
Issued and outstanding:		
23,682,000 common shares at July 31, 2007		
(and 17,582,000 common shares at October 31, 2006)		
	23,682	17,582
Additional paid-in capital	5,000,311	1,270,952
Deficit accumulated during the exploration stage	(2,347,728)	(583,979)
Total Stockholders' Equity	2,676,265	704,555
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,190,578	\$ 2,719,243

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An Exploration Stage Company)

STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
DECEMBER 9, 2004 (inception) TO JULY 31, 2007
(Expressed in U.S. Dollars)
(Unaudited)

	COMMON STOCK					
	SHARES	AMOUNT	STOCK TO BE ISSUED AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT ACCUMULATED DURING EXPLORATION STAGE	TOTAL STOCKHOLDERS' EQUITY
Issuance of common stock for cash at \$0.01 per share						
Issued June 9, 2005	6,766,000	\$ 6,766	-	\$ 60,894	-\$	67,660
Issued August 23, 2005	3,000,000	3,000	-	27,000	-	30,000
Issuance of common stock for cash at \$0.15 per share						
Issued June 9, 2005	5,416,000	5,416	-	806,984	-	812,400
Stock to be issued	1,700,000	-	1,700	253,300	-	255,000
Comprehensive income (loss):						
(Loss) for the period	-	-	-	-	(75,722)	(75,722)
Balance, October 31, 2005	16,882,000	15,182	1,700	1,148,178	(75,722)	1,089,338

Issuance of common stock for cash at \$0.15 per share						
Stock issued - December 8, 2005	-	1,700	(1,700)	-	-	-
Issued December 8, 2005	700,000	700	-	104,300	-	105,000
Amortization of premium on loan payable - related party (note 7)	-	-	-	18,474	-	18,474
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(508,257)	(508,257)
Balance, October 31, 2006	17,582,000	\$ 17,582	\$ -	\$ 1,270,952	\$ (583,979)	\$ 704,555
Issuance of common stock for debt settlement at \$0.5 per share						
Issued November 9, 2006	4,000,000	4,000	-	1,996,000	-	2,000,000
Amortization of premium on loan payable - related party (note 7)	-	-	-	3,147	-	3,147
Issuance of common stock for cash at \$0.50 per share on July 18, 2007	2,100,000	2,100	-	1,047,900	-	1,050,000
Stock-based compensation on 1,300,000 options granted	-	-	-	682,312	-	682,312
Comprehensive income (loss):						
(Loss) for the period	-	-	-	-	(1,763,749)	(1,763,749)
Balance, July 31, 2007	23,682,000	\$ 23,682	\$ -	\$ 5,000,311	\$ (2,347,728)	\$ 2,676,265

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An Exploration Stage Company)

INTERIM STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
(Unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED		CUMULATIVE
	JULY 31		JULY 31		PERIOD FROM
	2007	2006	2007	2006	INCEPTION 12/9/2004 TO JULY 31, 2007
Revenue					
Natural gas and oil revenue	\$ 87,988	-	\$ 148,729	-	\$ 169,036
Cost of revenue					
Natural gas and oil operating costs	32,266	-	59,061	-	67,635
Depletion	436,440	-	632,796	-	799,853
Write down in carrying value of oil and gas properties	258,648	-	354,418	-	550,227
	727,354	-	1,046,275	-	1,417,715
Gross profit	(639,366)	-	(897,546)	-	(1,248,679)
Expenses					
Accounting and audit	12,305	22,052	34,370	38,589	104,932
Bank charges and exchange loss	2,377	720	5,002	901	7,962
Consulting (note 8)	444,312	6,500	731,312	11,000	761,812
Depreciation	168	168	504	280	952
Fees and Dues	5,057	284	7,331	1,874	21,147
Interest expense from loan payable (note 5)	3,914	-	7,868	-	29,777
Investor relation	16,784	-	18,734	-	18,734
Legal and professional	12,407	20,889	46,461	44,607	97,988
Office and miscellaneous	1,046	-	8,838	248	9,498
Rent	2,448	2,310	7,346	3,810	13,512
Income taxes	1,043	-	1,043	-	1,043
Travel	3,041	220	10,058	3,418	13,476
Impairment of oil and gas acquisition cost	-	-	-	-	40,439
	504,902	53,143	878,867	104,727	1,121,272
(Loss) for the period before other income	(1,144,268)	(53,143)	(1,776,413)	(104,727)	(2,369,951)
Other Income					
Interest income	4,864	227	11,857	227	17,981
Amortization of premium on loan payable (note 5)	-	-	807	-	4,242
Net (loss) for the period	\$ (1,139,404)	\$ (52,916)	\$ (1,763,749)	\$ (104,500)	\$ (2,347,728)
Basic and diluted (loss) per share	\$ (0.05)	\$ (0.00)	\$ (0.08)	\$ (0.01)	\$ (0.16)
Weighted average number of common shares outstanding - Basic and diluted	21,855,913	17,582,000	21,557,092	17,538,410	14,800,439

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.

(An Exploration Stage Company)

INTERIM STATEMENTS OF CASH FLOWS (Expressed in U.S. Dollars) (Unaudited)

	NINE MONTHS ENDED		CUMULATIVE
	JULY 31,		PERIOD FROM
	2007	2006	INCEPTION 12/9/2004 TO JULY 31, 2007
Cash flows used in operating activities			

Net (loss)	\$	(1,763,749)	\$	(104,500)	\$	(2,347,728)
Adjustments to reconcile net loss to net cash used in operating activities:						
Consulting - Stock based compensation (note 8)		682,312		-		682,312
Depreciation		504		280		952
Depletion		632,796		-		799,853
Write down in carrying value of oil and gas properties		354,418		-		550,227
Impairment of oil and gas acquisition cost		-		-		40,439
Accrued interest on loan payable (note 5)		7,868		-		29,777
Amortization of premium on loan payable (note 5)		(807)		-		(4,242)
Change in operating assets and liabilities:						
Increase in accounts receivable		(22,998)		-		(34,731)
Decrease in other receivable		1,726		-		-
Increase (Decrease) in prepaid expenses and deposit		(28,503)		18,214		(28,503)
Increase in accounts payable		2,177		18,163		3,865
Increase (Decrease) in accrued liabilities		(8,388)		(5,500)		4,612
Net cash used in operating activities		(142,644)		(73,343)		(303,167)
Cash flows used in investing activities						
Oil and gas property acquisition and exploration costs		(1,272,572)		(886,668)		(3,094,770)
Purchase of computer equipment		-		(2,041)		(2,041)
Net cash used in investing activities		(1,272,572)		(888,709)		(3,096,811)
Cash flows from financing activities						
Proceeds from issuance of common stock		1,050,000		105,000		2,320,060
Proceeds from loan payable		50,000		-		2,050,000
Secured loan repayment (note 6)		(50,000)		-		(50,000)
Net cash from financing Activities		1,050,000		105,000		4,320,060
Increase (Decrease) in cash and cash equivalents		(365,216)		(857,052)		920,082
Cash and cash equivalents, beginning of period		1,285,298		863,560		-
Cash and cash equivalents, end of period	\$	920,082	\$	6,508	\$	920,082

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An exploration stage company)
NOTES TO THE FINANCIAL STATEMENTS
July 31, 2007
(Expressed in U.S. Dollars)

1. Basis of Presentation

The financial statements as of July 31, 2007 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the October 31, 2006 audited financial statements and notes thereto.

2. Organization and Business

The Company is an exploration and development stage enterprise engaged in the exploration for and production of natural gas and oil in the United States and Canada.

3. Capital Stock

(a) Authorized Stock

The Company has authorized 75,000,000 common shares with a par value of \$0.001 per share.

(b) Share Issuances

Since the commencement of operations of the Company (December 9, 2004) to July 31, 2007, the Company issued 9,766,000 common shares at \$0.01, 7,816,000 common shares at \$0.15 and 6,100,000 common shares at \$0.5 per share respectively. The Company has received paid subscriptions for 1,700,000 common shares at \$0.15 on October 13, 2005 and for 700,000 common shares at \$0.15 on December 8, 2005. 1,700,000 of the above notes shares were paid for during the fiscal year ended October 31, 2005, but actual share certificates were not issued until December 8, 2005.

The 9,766,000 shares at \$0.01 per share were subscribed for by shareholders wishing to participate in the founding of the Company. These subscriptions covered the period from inception to December 23, 2004 with 6,766,000 and 3,000,000 shares being issued on June 9, 2005 and August 23, 2005 respectively.

Subsequent to December 23, 2004, the directors decided that, following the application for the Papua New Guinea petroleum prospecting license on February 3, 2005, which the directors at that time felt the Company had a good chance of being granted, and having reached the decision to participate in the oil and gas exploration sector in general, the directors increased the price for subsequent subscribers to \$0.15 per share. Thus all subscription agreements for shares priced at \$0.15 per share took place between February 2005 and December 2005.

There were no differences in rights and privileges of the two groups of common stockholders.

On November 9, 2006, the Company has settled existing loan payable of \$2 million with its equity. Four million shares, priced at \$0.50 per common share; and 4 million warrants, each warrant entitling the holder to purchase one common share at a price of \$0.6 valid until November 9, 2009, have been issued to the former debt-holders.

On July 18, 2007, the Company closed its private placement which comprised of the sale of 2,100,000 units at the price of \$0.50 per unit for total proceeds of \$1,050,000. Each unit is comprised of one restricted common share and one warrant to purchase one additional share of common stock at a price of \$0.60, exercisable for a period of two years from the closing of this offering.

All shares and warrants issued are restricted under applicable securities rules. As at July 31, 2007, Lexaria Corp. has 23,682,000 shares issued and outstanding and 6,100,000 warrants issued and outstanding.

4. Oil and Gas Properties

(a) Proved properties

(1) Palmetto Point Project

On December 21, 2005, the Company agreed to purchase a 20% working and revenue interest in a 10 well drilling program in Mississippi owned by Griffin & Griffin Exploration for \$700,000. Concurrent with signing the Company paid \$220,000 and on January 17, 2006 the company paid the remaining \$480,000. The Company applied the full cost method to account for its oil and gas properties and as of July 31, 2007, six wells were found to be proved wells.

On June 23, 2007, the Company acquired an assignment of 10% gross working interest from a third party for \$520,000 secured loan payable (See Note 6). The Company recognized \$501,922 in the mineral property for the period ended July 31, 2007.

(2) Mississippi and Louisiana, Frio-Wilcox Project

As of July 31, 2007, the first well CMRUS 39-14 was found to be proved well and the Company applied the full cost method to account for this property.

(3) Owl Creek Prospect, Oklahoma, USA

The Company elected to participate in Isbill #1-36 on August 3, 2006. Isbill #1-36 was abandoned on September 11, 2006, and costs amounted to \$35,174 was added to capitalized cost in determination of depletion expenses.

On January 25, 2007, the Company elected to participate in Isbill #2-36. As at July 31, 2007, the Company has made accumulated expenditures of \$71,237. Isbill #2-36 has started production from April 2007.

Properties	October 31, 2006	Addition	Depletion for the period	Write down in Carrying Value	July 31, 2007
U.S.A. – Proved property	\$ 162,308	\$ 1,004,586	\$ (632,796)	\$ (354,418)	\$ 179,680

(b) Unproved Properties

Properties	October 31, 2006	Addition	Cost added to capitalized cost	July 31, 2007
U.S.A.-Unproved properties	\$ 851,178	\$ 1,774,494	\$ (1,004,586)	\$ 1,621,086
Canada-Unproved properties	405,407	-	-	405,407
	\$ 1,256,585	\$ 1,774,494	\$ (1,004,586)	\$ 2,026,493

(1) Strachan Leduc Reef, Alberta, Canada

On September 23, 2005, the Company entered into an agreement to participate in the Strachan Leduc Reef Farm-In in Alberta, Canada. The Company issued a payment of \$218,739. (CDN \$253,977) for a 4% participation in the costs of Strachan Leduc Reef Farm-In. In addition, on January 9, 2006, the Company paid an amount \$57,137, February 21, 2006 paid an amount of \$56,511, April 10, 2006 paid an amount of \$15,614, June 5, 2006 paid an amount of \$38,353 and July 21, 2006 paid an amount of \$19,054 to Odin Capital Inc. for required supplemental funds due to well hole problems. The Company will earn on completion, capped or abandoned with respect to the well to be drilled at 14 of 9-38-9-W5M the following:

- (i) In the Spacing Unit for the Earning Well:
 - a. A 2.000% interest in the petroleum and natural gas below the base of the Mannville excluding natural gas in the formation; and
 - b. A 4.000% interest in the natural gas in the Leduc formation before payout subject to payment of the Overriding Royalty which is convertible upon payout at royalty owners option to 50% of the Farmee's Interest;
- (ii) A 1.600% interest in the rights below the base of the Shunda formation in Section 10, Township 38, Range 9W5M; and
- (iii) A 1.289% interest in the rights below the base of the Shunda formation in Sections 15 and 16, Township 38, Range 9W5M down to the base as shown in the schedule attached to the agreement dated September 23, 2005.

At the date of these financial statements drilling is being carried out but is not completed.

As at July 31, 2007, the Company has made accumulated expenditures of \$405,407 on its Leduc Farm-in.

(2) Palmetto Point Prospect, Mississippi, USA

On December 21, 2005, the Company agreed to purchase a 20% working and revenue interest in a 10 well drilling program in Mississippi owned by Griffin & Griffin Exploration for \$700,000. Concurrent with signing the Company paid \$220,000 and January 17, 2006 the company paid the remaining \$480,000. As of April 30, 2007, five wells were found to be

proved wells, and three wells were found impaired. One of the wells was impaired due to uneconomic life, and the other two wells were abandoned due to no apparent gas or oil shows present. The costs of impaired properties were added to the capitalized cost in determination of the depletion expense.

On September 22, 2006, the Company elected to participate in additional two well program in Mississippi owned by Griffin & Griffin Exploration and paid \$140,000.

(3) Owl Creek Prospect, Oklahoma, USA

On August 3, 2006, the Company agreed to purchase a 7.5% working interest in the Owl Creek Prospect for the purchase price of \$100,000. This agreement include the right to participate at a 7.5% working interest in all future wells drilled on a total of 1,080 acres surrounding the Powell #1 and #2, but does not include “dry hole or completion costs” of the future wells. In addition, the Company has the right to participate in any Areas of Mutual Interest that may be acquired by the Owl Creek Prospect participants.

As at July 31, 2007, the Company has made accumulated expenditures of \$102,513.

(4) Mississippi and Louisiana, USA

The Company entered into an Agreement to acquire a working interest in multiple zones of potential oil and gas production in Mississippi and Louisiana. This Agreement contemplates up to a 50 well drill program for Wilcox and Frio wells, at the Company’s option, within the defined area of mutual interest (AMI). The AMI includes over 300,000 gross acres located contiguously between Southwest Mississippi and North East Louisiana.

The Company has agreed to pay 40% of all prospect fees, mineral leases, surface leases, and drilling and completion costs to earn a net 32% of all production from all producible zones to the base of the Frio formation (Frio Targets); and, 30% of all production to the base of the Wilcox formation (Wilcox Targets). All working interests will be registered in the name of Lexaria Corp.

The Joint Participation Agreement and Joint Lands Agreements are between Lexaria Corp. and Griffin & Griffin Exploration LLC (G&G) of Jackson, Mississippi.

On June 21, 2007 and July 26, 2007, the Company acquired 10% from two third parties (total 20%) for all rights, title and benefits excluding the seven wells drilled under the AMI Agreement between August 3, 2006 and June 19, 2007, specifically wells CMR-USA-39-14, Dixon #1, Faust #1 TEC F-1, CMR/BR F-14, RB F-1 Red Bug #2, BR F-33, and Randall #1 F-4, and any offset wells that could be drilled to any of these specified wells.

As at January 31, 2007, the Company abandoned Wilcox #1 due to the uneconomic well and \$162,420 of Wilcox’s drilling costs was added to the capitalized costs in determination of depletion expense. As at April 30, 2007, CMR USA 39-14 was found to be proved well.

On June 2, 2007, the Company abandoned Randall #1 and \$107,672 drilling costs was added to the capitalized costs in determination of depletion expense.

(5) Papua New Guinea, USA

On February 3, 2005 the Company made an application for a Petroleum Prospecting License (APPL 264) to the Department of Petroleum and Energy, Papua New Guinea. The application has not been approved as of October 31, 2006. All costs associated with the

application have been expensed as there is no certainty the Company will acquire a Petroleum Prospecting License nor that the funds will be returned if no Petroleum Prospecting License is granted. The Company has written off the application fee in 2005.

5. Loan Payable

(a) Unsecured loan agreement

On July 31, 2006, the Company made an unsecured loan agreement in the amount of \$2,000,000 between four separate shareholders and one arm's length party repayable on demand, but in no event shall demand be made on or before November 30, 2006. However, the Company is entitled to prepay at any time the whole or any part of the principal amount of the loan. The Company agrees to pay the principal amount of the loan on or before November 30, 2006. The loan will not bear interest. The Company calculated the premium on loan payable and the net present value of loan payable by applying 8% interest rate, which was based on a T-bill rate of 4.18% plus a risk premium. Total premium at the date of fund received was \$35,150 and is amortized using interest method. The net present value of the loan payable at the date of fund received was \$1,964,850.

On November 9, 2006, the Company has settled existing loan payable of \$2 million with its equity. Four million shares, priced at \$0.50 per common share; and 4 million warrants, each warrant entitling the holder to purchase one common share at a price of \$0.6 valid until November 9, 2009, have been issued to the former debt-holders. During the three month ended January 31, 2007, interest expense was \$3,954. The amortization of premium on loan payable for related parties was \$3,147 which was included in the additional paid-in capital and for non related party was \$807 which was included in the other income.

(b) Demand loan agreement

On March 20, 2007, the Company made a demand loan agreement in the amount of \$50,000 with C.A.B. Financial Services Ltd. ("CAB"). CAB is owned by the president of the Company. The loan is repayable on demand and will not bear interest.

6. Secured loan payable

On June 23, 2007, the Company acquired an assignment of 10% gross working interest of a Drilling Program from 0743868 B.C. Ltd ("0743868") for \$520,000. The payment schedule is as follows: On or before July 15, 2007, the Company shall pay to 0743868 the sum of \$50,000; and, on or before the 15th day of each subsequent month, the Company shall pay to 0743868 the sum of \$50,000 for ten consecutive months; and then a final payment of \$20,000 on the eleventh payment date until such time as the entire \$520,000 has been paid. If any payment less than the total amount is made and if the Company has not within 30 days of such partial payment being made completed the payments then due, then the pro-rata portion of the contemplated rights and interests will be deemed to have been properly purchased, but the pro-rata unpaid balance of the contemplated rights and interests shall revert back to 0743868.

The Company calculated the net present value of the secured loan payable by applying 8% interest rate, which was based on a T-bill rate of 4.28 plus a risk premium. The net present value of the secured loan payable on June 23, 2007 was \$501,922. For the period ended July 31, 2007, the Company made \$50,000 repayment and accrued \$3,914 interest expense with ending balance of \$455,836 as at July 31, 2007.

7. Related Party Transactions

- (a) During the three month period ended July 31, 2007, the Company paid CAB Financial Services ("CAB") \$7,500 and RMA Resource Management Associates ("RMA") \$7,500 (July 31, 2006: \$4,500), and \$45,000 (July 31, 2006: \$13,500) for nine month period ending July 31, 2007 for management and consulting services. CAB is owned by the president of the Company and RMA is owned by the vice president of the Company. The related party transactions are recorded at the exchange amount established and agreed to between the related parties.
- (b) A portion of the loan payable in the amount of \$1,591,350 was from the related parties. The interest rate earned on the money paid out was 8%, which was based on a T-bill rate of 4.18% plus a risk premium. The amortization of premium on loan payable in connection with the related parties in the amount of \$3,147 was included in the additional paid-in capital.
- (c) Upon settlement of the loan payable, CAB was issued 1,166,800 common shares at \$0.50 per common share, and 1,166,800 common shares purchase warrants to purchase 1,166,800 common shares at an exercise price of \$0.60.
- (d) On March 20, 2007, the Company made a demand loan agreement in the amount of \$50,000 with CAB.
- (e) On April 26, 2007, the Company granted 600,000 Discretionary Options to the president and the vice president of the Company with an exercise price of \$1.3. The exercise price was modified to \$0.80 on June 19, 2007.

8. Stock Options

During the nine month period ending July 31, 2007, the Company granted 1,300,000 stock options to directors and consultant of the Company with exercise prices of \$0.80 and \$0.85 per share, vested immediately and expires over 4 years. For the nine month period ended July 31, 2007, the Company recorded a total of \$682,312 for stock based compensation expenses which has been included in consulting fees.

A summary of the changes in stock options for the period ended July 31, 2007 is presented below:

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance, October 31, 2006	-	\$ -
Granted	1,300,000	0.81
Balance, July 31, 2007	1,300,000	\$ 0.81

The fair value of each option granted has been estimated as of the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	Period ended July 31, 2007
Expected volatility	78.64%
Risk-free interest rate	3.77%
Expected life	4 years
Dividend yield	0.0%

A summary of weighted average fair value of stock options granted during the period ended July 31, 2007 is as follows:

Period ended July 31, 2007	Weighted Average Exercise Price	Weighted Average Fair Value
Exercise price is less than or equal to market price at grant date:	\$ 0.81	\$ 0.52

The Company has the following options outstanding and exercisable.

July 31, 2007		Options outstanding and exercisable	
Range of exercise prices	Number of shares	Weighted average remaining contractual life	Weighted Average Exercise Price
\$0.80	700,000	3.74 years	0.80
\$0.80	400,000	3.89 years	0.80
\$0.85	200,000	3.97 years	0.85

9. Commitments

On June 21, 2007, the Company entered into a Finder's Fee Agreement ("Agreement") with an individual ("Finder") to further introduce, certain potential financiers directly or indirectly to the Company for a term of a year. Pursuant to the Agreement, the Company agreed to pay to Finder a finder's fee equal to up to 10% of the gross proceeds in connection with a Financing consummated by the Company with any Financier introduced to the Company by Finder, provided that such introduction was made during the term.

See Note 4 (a) (1) and Note 6.

10. Reclassification

Certain comparative accumulative figures have been reclassified to conform with the financial statements presentation for July 31, 2007.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

Historical results and trends should not be taken as indicative of future operations. Management's statements contained in this report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934 (the "Exchange Act"), as amended. Actual results may differ materially from those included in the forward-looking statements. The Company intends such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "prospects," or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company

on a consolidated basis include, but are not limited to: unanticipated problems relating to exploration, hazards such as pollution, or other hazards which cannot be insured against or predicted, changes in economic conditions, availability of capital, competition, and generally accepted accounting principles. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included herein and in the Company's other filings with the SEC.

Management's Discussion and Analysis

Lexaria is an exploration and development stage oil and gas company engaged in the exploration for oil and natural gas in Canada and the United States. We are currently generating revenues from and have proved oil and gas reserves in our operations in Mississippi and Oklahoma. We have acquired the right to explore the Strachan Hills oil and gas property in Alberta, Canada and assumed working interests in the Owl Creek Prospect, Oklahoma and in various locations in Mississippi and Louisiana, USA.

The following disclosure relates to each property that we have an interest in:

Alberta

We have acquired an interest in a property located 80 miles northwest of Calgary, Alberta, Canada. On September 23, 2005, the Company signed an agreement to participate in a 13,330 foot drill program. As of July 31, 2006, the Company has paid \$405,407 for a 4% gross interest to participate in any oil and gas produced (before recovery of the costs of the drill program), reducing to a 2% interest after recovery of the drilling costs. The Company expects to pay further costs equal to its 4% interest in completing and equipping an earning well to a pipeline tie in if warranted. Oil and gas exploration companies rarely own the land surface and instead they obtain subsurface rights from the landowner. Landowners, whether they are governments or private entities, usually demand a payment known as a royalty to be paid by the exploration company, in the event of commercially successful oil or gas production. Our contractual interest in a property is not necessarily equal to our expected net revenue interest which is calculated after the royalty payment has been paid, thus the actual revenue we might receive will be less than the contractual gross interest amount.

The property is reached by traveling 100 miles north from the city of Calgary on Highway #22, and is approximately a one-half hour drive past the town of Rocky Mountain House.

Drilling of this well has been completed and evaluation is underway. Odin Capital Inc. of Calgary, Alberta, with whom the Company entered into this agreement, is a Canadian exploration finance company that arranges all aspects of identifying, financing, exploring and drilling properties. The operator of the earning well is Rosetta Exploration Inc. of Calgary, Alberta.

Mississippi

As of July 31, 2007, the Company currently owns a 30% gross working interest in 12 wells; a 45% gross working interest in 7 wells; and a 50% gross working interest in 43 wells to be drilled; all located in Mississippi under various agreements with Griffin & Griffin Exploration, L.L.C. Additional details of these interests are noted below.

The Company entered into a 10-hole drilling program agreement (the "Griffin Drilling Program Agreement") with Griffin & Griffin Exploration, L.L.C. ("Griffin") dated December 21, 2005, whereby we acquired a 20% gross interest in any oil and gas produced, in a 10-well drilling program (the "Drilling Program"), to be carried out at Palmetto Point, Southwest Mississippi.

Palmetto Point is approximately 150 miles southwest of Jackson, Mississippi and approximately 50 miles north/northwest of Baton Rouge, Louisiana. It is 30 miles west of Woodville, Mississippi off of State Highway 33.

By January 17, 2006 we paid \$700,000 to Griffin, which represented the full cost of the Company's 20% working interest in the Drilling Program. There were no further costs to the Company in earning its interest, including well development costs or pipeline connectors. Griffin has agreed that the leases held by it

covering any mineral estate underlying the applicable well site acreage shall not provide for more than twenty-five (25%) percent royalty and overriding royalty interest. Our net interest in any oil and gas produced is calculated by subtracting the applicable royalties from our 20% gross interest. Consequently, our original net working interest in the drilling program was a minimum fifteen (15%) percent net working interest. Griffin conducted the Drilling Program in its capacity as Operator. We subsequently increased our participation under this program by spending \$140,000 to earn the same 20% interest in 2 additional wells – 12 wells total and all drilled - and we subsequently increased our gross interest to 30% in these 12 wells, or a net working interest of 22.5%. The results of these wells are as follows as of July 31, 2007:

Phase I Palmetto Point 30% gross interest

Well Name	Spud/Start	Complete	Results	Depth	Status
PP F-40	May 11/06	May 16/06	Frio Gas; 12 ft.	3850	Producing
PP F-118	May 18/06	May 22/06	Frio Gas; 14 ft.	3808	Producing
PP F-121	May 24/06	May 29/06	Dry	3850	Plug & abandon
PP F-7	May 31/06	June 4/06	Dry	3800	Plug & abandon
PP F-39	June 10/06	June 16/06	Frio Gas/Oil; 12 ft.	3900	Producing
PP F-42	June 18/06	June 21/06	Frio Gas/Oil; 10 ft.	3170	Producing
PP F-36-2	June 23/06	July 2/06	Frio Gas; 8 ft.	3450	Temporarily Suspended
PP F-4	Oct 31/06	Nov. 5/06	Frio Gas; 8 ft.	4200	Producing
PP F- 29	Nov 11/06	Nov. 14/06	Frio Gas; 37 ft.	4100	Producing
PP F-12	Dec 18/06	Dec. 24/06	Frio Gas; 3 ft. Frio Oil, 26 ft.	4016	Connection pending
PP F-6B		July 27/06	Frio Gas		Connection pending
PP F-52A		July 27/06	Frio Gas		Connection pending

On August 3, 2006, we entered into our Phase II agreement with Griffin & Griffin Exploration LLC, which covers an Area of Mutual Interest (AMI) exclusive to the participants, which includes 50 prospects for drilling of wells to depths sufficient to test prospectively producible hydrocarbons from the top of the Frio Formation to the bottom of the Wilcox Formation. From these 50 prospects, Griffin and Griffin and the participants will select all drill locations. We had contracted to assume a 40% gross interest in this AMI, meaning we were obligated to pay 40% of costs related to licensing, permitting, drilling, completing and all other related costs. This 50-well AMI is intended to be drilled in several stages. The first stage had a total cost of \$4 million, of which Lexaria's pro rata share is \$1.6 million. As of July 31 2007 the Company had placed \$1,600,000 in trust to completely fund this initial commitment. During the drill program, an unrelated third party participant elected not to continue their participation in the program, and we assumed our pro-rata portion of their 10% gross working interest as our own, at no additional cost, bringing our total gross working interest in these seven wells and their leases, to 45%.

The first of these 7 wells was successfully drilled and completed and entered into production. The second well in this Phase II program targeted the Wilcox formation, did not encounter commercially viable quantities of hydrocarbons, and was plugged and abandoned, with total costs associated with this well of \$162,420. All 7 of these wells have now been drilled, with results as follows:

Phase II 45% gross interest

Well Name	Spud/Start	Complete	Results	Depth	Status
CMR-USA-39-14 RB F-3	Sept. 8/06	Sept. 12/06	Frio Gas 14 ft.	3,200	Producing
Dixon #1	Jan. 03/07	Jan. 20/07	Wilcox Target; Dry	8,650	Plug & abandon
Faust #1, TEC F-1	Feb. 05/07	Feb. 11/07	Frio Gas 9 ft	5,350	Connection pending
CMR/BR F-24	Feb. 20/07	Feb. 24/07	Frio Gas	3,250	Completed, awaiting testing



RB F-1 Red Bug #2	May 08/07	May 13/07	Frio Gas 10 ft	3,180	Completed, awaiting testing
BR F-33	May 20/07	May 24/07	Frio Gas 12 ft	3,837	Completed, awaiting testing
Randall #1 Closure F-4	May 27/07	June 03/07	Frio Target: Dry	5,100	Plug & abandon

As of July 31, 2007, plans are to drill atleast 3 additional wells in Mississippi as soon as practical.

After a well has been drilled and completed and enters into production, we are responsible for paying our share of production and operations costs. As a matter of course, we will have to pay pipeline transmission costs if and when each well starts transporting natural gas.

Oklahoma

On August 3, 2006, the Company entered an agreement to acquire a 7.5% working interest in the Owl Creek Prospect, Oklahoma. The operator is Ranken Energy Ltd. of 417 W. 18th Street, Suite 101, Edmond, Oklahoma. We paid \$100,000 for a 7.5% interest and to participate in the Isbill #1-36 well. The Isbill #1-36 well was drilled and on September 11, 2006 the Company elected to abandon the well but reserved the right under the agreement to participate in future additional wells in the AMI in the Owl Creek Prospect.

During the second quarter ended April 30, 2007, our second participatory well was drilled at Owl Creek, the Isbill #2-36 well, in which we also have a 7.5% interest. The Isbill#2-36 well was successful and is in production of both oil and natural gas and is contributing to our revenue generation.

Results of Operations for the Three and Nine Months Ended July 31, 2007

For the three-month period ended July 31, 2007, there were revenues of \$87,988 and there were no revenues for the same three-month period in the prior year. For the nine-month period ended July 31, 2007, there were revenues of \$148,729 and there were no revenues for the same nine-month period in the prior year. The increase in revenues for both periods was caused by oil and natural gas sales received from the Company's properties in Mississippi and Oklahoma.

For the three-month period ended July 31, 2007 we incurred costs and expenses in the amount of \$1,232,256, compared to costs and expenses of \$53,143 for the same three-month period in the prior year. For the nine-month period ended July 31, 2007 we incurred costs and expenses in the amount of \$1,925,142, compared to costs and expenses of \$104,727 for the same nine month period in the prior year.

This increase in costs and expenses is attributable to exploration costs and administrative expenses we incurred in connection with the following:

- Depletion costs increased to \$436,440 for the three month period ending July 31, 2007 (July 31, 2006: nil); and in the nine month period ended July 31, 2007, the Company incurred depletion costs of \$632,796 (July 31, 2006: nil). The depletion expense arose in the application of generally accepted accounting principles. There was also increase in the write down of the carrying value of oil and gas properties, amounting to \$258,648 for the three month period ended July 31, 2007 (July 31, 2006: nil) and \$354,418 for the nine month period ended July 31, 2007 (July 31, 2006: nil). The increase was caused when the carrying value exceeded the Net Present Value (NPV) of future benefits, and the carrying was adjusted to match the NPV.
- Rent payment in connection with the acquisition of office space. In the three month period ended July 31, 2007, the Company incurred \$2,448 (July 31, 2006: \$2,310); and in the nine month period ended July 31, 2007, the Company incurred \$7,346 (July 31, 2006: \$3,810).

- Legal fees in connection with the a registration statement application and professional fees in relation to the addition of properties. In the three month period ended July 31, 2007, the Company incurred \$12,407 (July 31, 2006: \$20,889); and in the nine month period ended July 31, 2007, the Company incurred \$46,461 (July 31, 2006: \$44,607).
- Fees paid to a consultant. In the three month period ended July 31, 2007, the Company incurred \$444,312 (July 31, 2006: \$6,500); and in the nine month period ended July 31, 2006, the Company incurred \$731,312 (July 31, 2006: \$11,000). The expense includes a stock based compensation charge of \$682,312.
- Travel costs. In the three month period ended July 31, 2007, the Company incurred \$3,041 (July 31, 2006: \$220); and in the nine month period ended July 31, 2007, the Company incurred \$10,058 (July 31, 2006: \$3,418)
- Investor relation costs. In the three month period ended July 31, 2007, the Company incurred \$16,784 (July 31, 2006: nil); and in the nine month period ended July 31, 2007, \$18,734 (July 31, 2006: nil).

The Net Loss for the three months ending July 31, 2007 was \$(1,139,404) (July 31, 2006: \$(52,916)), while the Net Loss for the nine months ending July 31, 2007 was \$(1,763,749) (July 31, 2006: \$(104,500)). The increase in losses was caused by expenses relating to the transition of the Company from an exploration and development company to a development company and by an increase in the depletion charge for the year.

Assets

As of July 31, 2007, we had current assets of \$983,316 and total assets of \$3,190,578. We had total assets of \$2,719,243 as of October 31, 2006. The increase in total assets was caused by an increase in oil and gas properties of \$1,272,572 which was partially offset by an increase in an equity investment of \$1,050,000. The reduction in cash was due to an increase in costs and expenses plus additions to oil and gas properties.

Liquidity and Capital Resources

As of July 31, 2007, we had total current assets of \$983,316 (July 31, 2006: \$1,298,757) and total assets in the amount of \$3,190,578 (July 31, 2006: \$2,719,243). Our total current liabilities as of July 31, 2007 were \$514,313 (October 31, 2006: \$2,014,688). As a result, on July 31, 2007 we had positive working capital of \$469,003 (October 31, 2006: \$(715,931)). The increase in working capital was caused by a private placement of \$1,050,000 which was partially offset by investments in oil and gas properties and the increases in general expenses as explained previously.

We relied on cash on hand previously raised through the issue of equity/debt capital to fund our operations during the three and nine months ended July 31, 2007.

The company generates revenue, but not sufficient to generate a profit. We still anticipate the need to raise significant capital through the sale of equity or debt securities on a private or public basis in order to sustain operations and meet our objectives. It is uncertain whether we will be able to obtain the necessary capital.

We intend to fund operations and commitments over the next twelve months from our cash on hand, including our capital expenditures, working capital or other cash requirements. We believe cash from operating activities, and our existing cash resources may not be sufficient to meet our working capital requirements for the next 12 months. We will likely require additional funds to support the Company's business plan. Management intends to raise additional working capital through debt and equity financing. There can be no assurance that additional financing will be available on acceptable terms, if at all. If adequate funds are not available, we may be unable to take advantage of future opportunities, respond to competitive pressures, and may have to curtail operations.

Natural Gas and Oil Properties

We account for our oil and gas producing activities using the full cost method of accounting as prescribed by the United States Securities and Exchange Commission ("SEC"). Accordingly, all costs associated with the acquisition of properties and exploration with the intent of finding proved oil and gas reserves contribute to the discovery of proved reserves, including the costs of abandoned properties, dry holes, geophysical costs, and annual lease rentals are capitalized. All general corporate costs are expensed as incurred. In general, sales or other dispositions of oil and gas properties are accounted for as adjustments to capitalized costs, with no gain or loss recorded. Amortization of evaluated oil and gas properties is computed on the units of production method based on all proved reserves on a country-by-country basis. Unevaluated oil and gas properties are assessed at least annually for impairment either individually or on an aggregate basis. The net capitalized costs of evaluated oil and gas properties (full cost ceiling limitation) are not to exceed their related estimated future net revenues from proved reserves discounted at 10%, and the lower of cost or estimated fair value of unproved properties, net of tax considerations. These properties are included in the amortization pool immediately upon the determination that the well is dry.

Unproved properties consist of lease acquisition costs and costs on well currently being drilled on the properties. The recorded costs of the investment in unproved properties are not amortized until proved reserves associated with the projects can be determined or until they are impaired.

Revenue Recognition

Revenue from sales of crude oil, natural gas and refined petroleum products are recorded when deliveries have occurred and legal ownership of the commodity transfers to the customers. Title transfers for crude oil, natural gas and bulk refined products generally occur at pipeline custody points or when a tanker lifting has occurred. Revenues from the production of oil and natural gas properties in which we share an undivided interest with other producers are recognized based on the actual volumes sold by us during the period. Gas imbalances occur when our actual sales differ from its entitlement under existing working interests. We record a liability for gas imbalances when we have sold more than our working interest of gas production and the estimated remaining reserves make it doubtful that the partners can recoup their share of production from the field. At July 31, 2007 and 2006, we had no overproduced imbalances

Item 3. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of July 31, 2006. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer, Mr. Leonard MacMillan. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of July 31, 2006, our disclosure controls and procedures are effective. There have been no significant changes in our internal controls over financial reporting during the quarter ended July 31, 2006 that have materially affected or are reasonably likely to materially affect such controls.

Disclosure controls, procedures and controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding as at July 31, 2007. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

No matters have been submitted to our security holders for a vote, through the solicitation of proxies or otherwise, during the quarterly period ended July 31, 2007.

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	Description
3.1*	Articles of Incorporation
3.2*	Bylaws
4.1*	Specimen ordinary share certificate
31.1	Rule 13(a) - 14 (a)/15(d) - 14(a) Certifications
32.1	Section 1350 Certifications

*Incorporated by reference to same exhibit filed with the Company's Registration Statement on Form SB-2 dated January 10, 2006.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: September 12, 2007

LEXARIA CORP.

/s/ "Leonard MacMillan"

Leonard MacMillan

President (Principal Executive Officer) and member of the Board of Directors

9/12/2007

/s/ "Chris Bunka"

Chris Bunka

Chairman of the Board, CEO, Secretary, Treasurer

9/12/2007

CERTIFICATIONS

I, Leonard MacMillan, the President (Principal Executive Officer), Chief Executive Officer and Director of Lexaria Corp., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of LEXARIA CORP.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date September 12, 2007

By: /s/ "Leonard MacMillan"
Leonard MacMillan
President (Principal Executive Officer)
and member of the Board of Directors

CERTIFICATIONS

I, Chris Bunka, Principal Financial Officer (Principal Accounting Officer), and Director of Lexaria Corp., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of LEXARIA CORP.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: September 12, 2007

By: /s/ "Chris Bunka"
Chris Bunka
CEO, Principal Financial Officer (Principal Accounting Officer)
and Chairman of the Board of Directors

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Leonard MacMillan, President, (Principal Executive Officer) and Director of Lexaria Corp. certify that the Quarterly Report on Form 10-QSB (the "Report") for the quarter ended July 31, 2007, filed with the Securities and Exchange Commission on the date hereof:

- (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
- (ii) the information contained in the Report fairly presents in all material respects, the financial condition and results of operations of Lexaria Corp.

Date: September 12, 2007

By: /s/ "Chris Bunka"
Chris Bunka
CEO (Principal Executive Officer) and Chairman of the Board
of Directors

A signed original of this written statement required by Section 906 has been provided to Lexaria Corp. and will be retained by Lexaria Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATE OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Diane Rees, Chief Financial Officer (Principal Accounting Officer) and Director of Lexaria Corp. certify that the Quarterly Report on Form 10-QSB (the "Report") for the quarter ended July 31, 2007, filed with the Securities and Exchange Commission on the date hereof:

- (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
- (ii) the information contained in the Report fairly presents in all material respects, the financial condition and results of operations of Lexaria Corp.

Date: September 12, 2007

By: /s/ "Chris Bunka"
Chris Bunka
Principal Financial Officer (Principal Accounting Officer), and
Chairman of the Board of Directors

A signed original of this written statement required by Section 906 has been provided to Lexaria Corp. and will be retained by Lexaria Corp. and furnished to the Securities and Exchange Commission or its staff upon request.