UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **May 31, 2019**

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number _____

Lexaria Bioscience Corp.

(Exact name of registrant as specified in its charter)

Nevada	**20-2000871**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
#100 – 740 McCurdy Ave., Kelowna, British Columbia, Canada	**V1X 2P7**
(Address of principal executive offices)	(Zip Code)

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

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

Indicate by check mark whether the registrant (1) has 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 registrant 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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ YES ☐ NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒
			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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act ☐ YES ☒ NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

78,637,134 common shares issued and outstanding as of July 8, 2019

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements.

Lexaria Bioscience Corp.'s ("Lexaria" or the "Company") unaudited interim consolidated financial statements for the nine-month period ended May 31, 2019, form part of this quarterly report. They are stated in United States Dollars and are prepared in accordance with United States generally accepted accounting principles (US GAAP).

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LEXARIA BIOSCIENCE CORP.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)

	May 31 2019 (Unaudited)	August 31 2018 (Audited)
ASSETS		
Current		
Cash and cash equivalents	$ 1,995,842	$ 1,727,184
Marketable securities (Note 19)	74,840	10,151
Accounts and other receivables (Note 6)	225,834	265,751
Inventory (Note 7)	188,275	87,233
Prepaid expenses (Note 18)	122,808	193,732
Total Current Assets	2,607,599	2,284,051
Patents (Note 8)	242,748	146,538
Property & equipment (Note 9)	606,751	1,237
	849,499	147,775
TOTAL ASSETS	$ 3,457,098	$ 2,431,826
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	$ 111,298	$ 35,785
Due to related parties (Note 15)	20,995	7,855
Total Current Liabilities	132,293	43,640
TOTAL LIABILITIES	132,293	43,640
STOCKHOLDERS' EQUITY		
Share Capital		
Authorized:		
220,000,000 common voting shares with a par value of $0.001 per share Issued and outstanding: 78,437,134 common shares at May 31, 2019 and 75,533,471 common shares at August 31, 2018	78,437	75,533
Additional paid-in capital	25,890,921	22,095,682
Accumulated other comprehensive loss	-	(14,247)
Deficit	(22,789,954)	(19,768,782)
Equity attributable to shareholders	3,179,404	2,388,186
Non-controlling Interest	145,401	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,457,098	$ 2,431,826

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (unaudited)
(Expressed in U.S. Dollars, except number of shares)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	May 31, 2019	**May 31, 2018**	**May 31, 2019**	**May 31, 2018**
Revenue (Note 14)	**$ 59,931**	$ 140,340	**$ 97,489**	**$ 336,933**
Cost of Goods Sold	**3,096**	2,427	**7,944**	**22,239**
Gross profit	**56,835**	137,913	**89,545**	**314,694**
Expenses				
Accounting and audit	**4,407**	14,773	**31,474**	48,942
Depreciation and Amortization (Note 8, 9)	**22,666**	527	**34,355**	1,364
Advertising and promotions	**114,706**	175,770	**399,848**	432,494
Consulting (Notes 12, 13, 15)	**280,893**	3,115,389	**1,127,311**	4,455,808
Investor relations	**62,309**	-	**62,309**	188
Legal and professional	**192,677**	65,091	**546,710**	207,134
Office and miscellaneous	**81,876**	64,779	**207,036**	182,754
Research and development	**231,035**	93,067	**394,091**	279,221
Travel	**33,371**	29,804	**72,870**	80,181
Employees	**224,544**	-	**250,171**	-
Gain on disposal of assets	**-**	-	**-**	(3,998)
Unrealized loss (gain) on marketable securities (Note 19)	**(3,713)**	-	**5,808**	-
Inventory write-off (Note 7)	**-**	3,625	**-**	12,609
	1,244,771	3,562,825	**3,131,983**	5,696,697
Net loss and comprehensive loss for the period	**(1,187,936)**	(3,424,912)	**(3,042,438)**	(5,382,003)
Net loss and comprehensive loss attributable to:				
Common shareholders	**(1,177,046)**	(3,424,912)	**(3,021,172)**	(5,382,003)
Non-controlling interest	**(16,131)**	-	**(21,266)**	-
Basic and diluted loss per share	**(0.01)**	(0.05)	**(0.04)**	(0.08)
Weighted average number of common shares outstanding -Basicanddiluted	**80,550,438**	**71,042,049**	**77,509,193**	**70,239,898**

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

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LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Expressed in U.S. Dollars)

	NINE MONTHS ENDED	
	May 31 2019	**May 31 2018**
Cash flows used in operating activities		
Net loss for the period	$ (3,042,438)	$ (5,382,003)
Adjustments to reconcile net loss to net cash		
Used in operating activities:		
Stock based compensation	507,310	2,102,704
Depreciation and amortization	34,355	1,364
Inventory write-off (Note 7)	-	12,609
Non-cash consideration for licensing – revenue	-	(25,000)
Shares to be issued for services – consulting	-	640,000
Shares issued for services	131,000	183,426
Warrants issued for services	52,817	1,063,270
Unrealized loss on marketable securities	5,808	-
Change in working capital:		
Accounts and other receivables	(16,333)	(222,484)
Inventory	(101,042)	(21,910)
Prepaid expenses	70,924	(12,191)
Accounts payable and accrued liabilities	75,513	29,959
Due to related parties	13,140	(33,580)
Unearned revenue	-	(17,083)
Net cash used in operating activities	**(2,268,946)**	**(1,680,919)**
Cash flows used in investing activities		
Investment in Poviva	-	(70,000)
Patent	(99,418)	(58,640)
Property & Equipment	(636,661)	-
Net cash used in investing activities	**(736,079)**	**(128,640)**
Cash flows from financing activities		
Proceeds from issuance of equity	3,273,683	1,339,591
Net cash from financing activities	**3,273,683**	**1,339,591**
Increase (decrease) in cash	268,658	(469,968)
Cash, beginning of period	1,727,184	2,533,337
Cash, end of period	**1,995,842**	**$ 2,063,369**
Supplemental information of cash flows:		
Common shares issued to settle accounts payable (shares issued for service)	**$ -**	**$ 12,000**
Income tax paid in cash	**$ 13,869**	**$ -**
Reclassification of NCI to additional paid in capital	**$ 833,333**	**$ 238,476**

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LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)

	COMMON STOCK						
	SHARES	AMOUNT $	ADDITIONAL PAID-IN CAPITAL $	DEFICIT $	NCI $	AOCI $	TOTAL STOCKHOLDERS' EQUITY $
Balance August 31, 2017	**67,975,761**	**67,976**	**16,108,270**	**(13,169,939)**	**(238,476)**	**-**	**2,767,831**
Non-controlling Interest	-	-	(308,476)	-	238,476	-	(70,000)
Exercise of stock options	55,000	55	12,446	-	-	-	12,501
Exercise of warrants	1,404,437	1,404	268,497	-	-	-	269,901
Net loss	-	-	-	(578,713)	-	-	(578,713)
Balance November 30, 2017	**69,435,198**	**69,435**	**16,080,737**	**(13,748,652)**	**-**	**-**	**2,401,520**
Shares issued for services	223,690	224	183,202	-	-	-	183,426
Stock based compensation	-	-	122,562	-	-	-	122,562
Warrants issued for services	-	-	717,880	-	-	-	717,880
Exercise of stock options	243,375	243	58,458	-	-	-	58,701
Exercise of warrants	1,195,042	1,195	665,293	-	-	-	666,488
Net loss	-	-	-	(1,378,378)	-	-	(1,378,378)
Balance February 28, 2018	**71,097,305**	**71,097**	**17,828,132**	**(15,127,030)**	**-**	**-**	**2,772,199**
Shares issued for services	500,000	500	639,500	-	-	-	640,000
Stock based compensation (Note 13)	-	-	1,980,142	-	-	-	1,980,142
Warrants issued for services	-	-	345,390	-	-	-	345,390
Exercise of warrants	1,300,000	1,300	330,700	-	-	-	332,000
Net loss	-	-	-	(3,424,912)	-	-	(3,424,912)
Other comprehensive loss	-	-	-	-	-	(7,383)	(7,383)
Balance May 31, 2018	**72,897,305**	**72,897**	**21,123,864**	**(18,551,942)**	**-**	**(7,383)**	**2,637,436**
Shares issued for services	424,000	424	597,206	-	-	-	597,630
Shares to be issued for services	(500,000)	(500)	(639,500)	-	-	-	(640,000)
Non-controlling interest	-	-	(10,344)	-	-	10,344	-
Stock based compensation (Note 13)	-	-	499,535	-	-	-	499,535
Exercise of stock options	247,500	247	22,252	-	-	-	22,499
Exercise of warrants	2,464,666	2,465	502,669	-	-	-	505,134
Net loss	-	-	-	(1,216,840)	-	(10,344)	(1,227,184)
Other comprehensive income	-	-	-	-	-	(6,864)	(6,864)
Balance, August 31, 2018	**75,533,471**	**75,533**	**22,095,682**	**(19,768,782)**	**-**	**(14,247)**	**2,388,186**

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

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LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)

	COMMON STOCK		ADDITIONAL PAID-IN				TOTAL STOCKHOLDERS'
	SHARES	AMOUNT $	CAPITAL $	DEFICIT $	NCI $	AOCI $	EQUITY $
Balance, August 31, 2018	**75,533,471**	**75,533**	**22,095,682**	**(19,768,782)**	**-**	**(14,247)**	**2,388,186**
Stock based compensation	-	-	64,044	-	-	-	64,044
Private placement of shares, net of issuance cost	947,150	947	1,469,363	-	-	-	1,470,310
Exercise of stock options	330,000	330	32,670	-	-	-	33,000
Exercise of warrants	309,800	310	145,570	-	-	-	145,880
Net loss	-	-	-	(701,391)		-	(701,391)
AOCI	-	-	-	-	-	14,247	14,247
Balance November 30, 2018	**77,120,421**	**77,120**	**23,807,329**	**(20,470,173)**	**-**	**-**	**3,414,276**
Shares issued for services	100,000	100	130,900	-	-	-	131,000
Exercise of stock options	50,000	50	18,450	-	-	-	18,500
Exercise of warrants	731,665	732	362,067	-	-	-	362,799
Net loss	-	-	-	(1,147,976)	-	-	(1,147,976)
Net loss non-controlling interest	-	-	-	-	(5,135)	-	(5,135)
Non-controlling Interest (Note 3)	-	-	-	-	1,000,000	-	1,000,000
Balance February 28, 2019	**78,002,086**	**78,002**	**24,318,746**	**(21,618,149)**	**994,865**	**-**	**3,773,464**
Exercise of stock options	50,000	50	14,700	-	-	-	14,750
Exercise of warrants	385,048	385	228,058	-	-	-	228,444
Warrants Issued for Service	-	-	52,817	-	-	-	52,817
Stock based compensation	-	-	443,266	-	-	-	443,266
Net loss	-	-	-	(1,171,805)	-	-	(1,171,805)
Net loss non-controlling interest	-	-	-	-	(16,131)	-	(16,131)
Non-controlling Interest (Note 3)	-	-	833,333	-	(833,333)	-	-
Balance May 31, 2019	**78,437,134**	**78,437**	**25,890,921**	**(22,789,954)**	**145,401**	**-**	**3,324,805**

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

LEXARIA BIOSCIENCE CORP.
NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2019
(Expressed in U.S. Dollars)

1. Organization, Business and Going Concern

Lexaria Bioscience Corp. ("Lexaria", or the "Company") was formed on December 9, 2004 under the laws of the State of Nevada. In March of 2014, the Company began its entry into the bioscience and alternative health and wellness business and in May 2016, the Company commenced out-licensing its patented DehydraTECH™ technology (the "Technology") for improved delivery of bioactive compounds that promotes healthy ingestion methods, lower overall dosing and higher effectiveness in active molecule delivery. The Company has its office in Kelowna, BC, Canada.

The unaudited interim consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles (US GAAP) have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Interim results are not necessarily indicative of results for a full year.

These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated annual financial statements and notes thereto included in our annual report filed on Form 10-K for the year ended August 31, 2018.
The Company's unaudited interim consolidated financial statements have been prepared in accordance with US GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The recurring losses from operations and net capital deficiency raise substantial doubt about the Company's ability to continue as a going concern.

The Company requires additional funds to maintain its operations and developments. Management's plans in this regard are to raise equity and debt financing as required, but there is no certainty that such financing will be available or that it will be available at acceptable terms. The outcome of these matters cannot be predicted at this time.

2. Business Risk and Liquidity

The Company is subject to several categories of risk associated with its operating activities. The production and sale of alternative health products is an emerging industry in which business practices are not yet standardized and are subject to frequent scrutiny and evaluation by federal, state, provincial, and municipal authorities, academics, and media outlets, among others. Although we intend to develop our businesses in accordance with best ethical practices, we may suffer negative publicity if we, our partners, contractors, or customers are found to have engaged in any environmentally insensitive practices or other business practices that are viewed as unethical.

Our operations may require licenses and permits from various governmental authorities. We believe that we will be able to obtain all necessary licenses and permits under applicable laws and regulations for our operations and believe we will be able to comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that we will be able to obtain or maintain all necessary licenses and permits, and failing to obtain or retain required licenses could have a materially adverse effect on the Company.

Lexaria and its subsidiaries are not involved directly or indirectly in the cultivation, processing, distribution, or utilization of Cannabis or Cannabis derived components. All of Lexaria's consumer products utilize legally sourced Hemp and Hemp components in their production. Lexaria does have an ancillary involvement risk via out-licensing of its patented Technology to licensees that choose to utilize its Technology to manufacture products that contain locally or state approved but federally regulated and controlled contents. There can be no guarantee that changes in the regulatory framework and environment will not occur and such changes could have a materially adverse effect on the Company. It is possible some jurisdictions may even interpret Lexaria's ancillary involvement as in contravention with regulations.

3. Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries; Lexaria CanPharm ULC, PoViva Corp., Lexaria Hemp Corp., Kelowna Management Services Corp. and Lexaria Pharmaceutical Corp, and our subsidiary Lexaria Nicotine LLC. On January 15, 2019, the Company announced the initial investment of $1,000,000 from Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc., for a 16.667% equity interest along with certain other rights in Lexaria Nicotine LLC. All significant intercompany balances and transactions have been eliminated.

4. Estimates and Judgments

The preparation of financial statements in conformity with U.S GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of the Company's accounting policies require us to make subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. These accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. Although we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used. Changes in the accounting estimates used by the Company are reasonably likely to occur from time to time, which may have a material effect on the presentation of financial condition and results of operations.

The Company reviews these estimates, judgments and assumptions periodically and reflect the effects of revisions in the period in which they are deemed to be necessary. We believe that these estimates are reasonable; however, actual results could differ from these estimates.

In preparing these unaudited interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended August 31, 2018, with the following update:

Property & Equipment

Property and Equipment are stated at cost less accumulated amortization and amortized using the straight-line method over their useful lives or by units of production.

5. Recent Accounting Guidance

In January 2016, FASB issued an ASU, Subtopic 82510, to amend certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Most prominent among the amendments is the requirement for changes in fair value of equity investments, with certain exceptions, to be recognized through profit or loss rather than other comprehensive income. The Company adopted the standard September 1, 2018. The impact was not material and the $14,247 impact on the Company's financial statements was included in income in the current period.

In February 2016 FASB issued ASU No. 201602, Leases (Topic 842) which supersedes FASB ASC Topic 840, Leases (Topic 840) and provides principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and the lessors. The new standard requires the lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. When adopted, the Company does not expect this guidance to have a material impact on its consolidated financial statements.

In June 2016, the FASB issued a new standard to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss credit loss estimates. For trade and other receivables, loans and other financial instruments, the Company will be required to use a forward-looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. Credit losses relating to available for sale debt securities will also be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The new standard will be effective for Lexaria beginning September 1, 2020, with early adoption permitted. Application of the amendments is through a cumulative effect adjustment to deficit as of the effective date. The Company is currently assessing the impact of the standard on its consolidated financial statements.

In February 2018, the FASB issued ASU No. 201802, Income Statement–Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act enacted by the U.S. federal government on December 22, 2017 (the "2017 Tax Act"). Consequently, the amendments eliminate the stranded tax effects resulting from the 2017 Tax Act and will improve the usefulness of information reported to financial statement users. The amendments in this ASU are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance. The Company is currently evaluating the effect this ASU will have on its consolidated financial statements and related disclosures but does not expect it to have a material impact on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 201807, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share Based Payment Accounting. This is a simplification that involves several aspects of accounting for nonemployee share-based payments resulting from expanding the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard will be effective for Lexaria for September 1, 2019. The Company does not expect it to have a material impact on its consolidated financial statements.

6. Accounts and Other Receivables

	May 31 2019 $	August 31 2018 $
Trade and deposits receivable	5,727	5,200
Territory License Fee receivable (Note 14)	118,000	199,375
Sales tax receivable	102,107	61,176
	225,834	**265,751**

7. Inventory

	May 31 2019 $	August 31 2018 $
Raw materials	65,899	29,355
Work in progress	25,928	48,126
Finished goods	96,448	9,752
	188,275	**87,233**

During the nine months ended May 31, 2019, the Company wrote down $Nil (May 2018 - $12,609) of inventory to reflect its net realizable value.

8. Intellectual Property

On November 12, 2014, the Company signed an agreement with Poppy's Teas LLC. whereby it acquired a 51% interest. Subsequent to signing the agreement, Poppy's Teas LLC effected a name change to PoViva Tea LLC. The Company acquired the remaining49% ownership interest in PoViva Tea, LLC in October 2017 via compensation of $70,000, a waiver on certain debts owed to Lexaria, and a 5%, 20 year royalty on net profits of ViPova Tea™ tea, coffee, and hot chocolate sales. No Lexaria stock or options were issued. On September 18, 2018 Poviva Tea, LLC converted from a Nevada limited liability company to a Nevada corporation and effected a name change to Poviva Corp.

The following is a list of US capitalized patents held by the Company

Issued Patent #	Patent Issuance Date	Patent Family
US 9,474,725 B1	10/25/2016	Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	12/12/2017	
US 9,972,680 B2	5/15/2018	
US 9,974,739 B2	5/22/2018	
US 10,084,044 B2	9/25/2018	
US 10,103,225 B2	10/16/2018	

The Company also holds non-capitalized patents outside the US.

Patents

	May 31 2019 $	August 31 2018 $
Balance – Beginning	146,538	62,827
Additions	99,418	85,399
Amortization*	(3,208)	(1,688)
Balance – Ending	**242,748**	**146,538**

** The patents are amortized over their legal life of 20 years.*

9. Property & Equipment

Cost	Opening Amortization $	Period Amortization $	August 31 2018 $
Equipment			3,094
Less: accumulated amortization	(1,238)	(619)	(1,857)
Balance - Ending			**1,237**

Cost	Opening Amortization $	Period Amortization $	May 31 2019 $
Leasehold Improvements			263,748
Less: accumulated amortization	-	(19,063)	(19,063)
Computer Equipment			64,346
Less: accumulated amortization	-	(6,918)	(6,918)
Furniture Fixtures Equipment			34,221
Less: accumulated amortization	(1,857)	(2,446)	(4,303)
Lab Equipment			277,562
Less: accumulated amortization	-	(2,843)	(2,843)
Balance	(1,857)	(31,270)	**606,751**

10. Accounts Payable and Accrued Liabilities

	May 31 2019 $	August 31 2018 $
Accounts Payable		
Trades Payable	87,374	33,916
Sales Tax Payable	18,813	1,869
Equipment Payable	5,111	-
	111,298	**35,785**

11. Unearned Revenue

On May 14, 2016, the Company entered into a licensing agreement (the "Licensing Agreement") with an arm's length party (the "Licensee") allowing the Licensee, for a two-year period, to utilize the Company's Technology to create, test, manufacture, and sell marijuana-infused consumable and/or topical products, in the state of Colorado, with an option of extending the terms of the Licensing Agreement to Washington, Oregon, and California (the "License"). In addition to the granting of the License, the Company is required to provide support services to the Licensee in connection with the use of the Company's Technology during the term of the Licensing Agreement.

The Company determined that the provision of the support services is a separate deliverable under the Licensing Agreement. Accordingly, the Company recognized revenue on a prorated basis over the term of the Licensing Agreement. The Company has since determined that the support services form an insignificant portion of the licensing contract as they are primarily completed prior to delivery of the Technology and that delivery of the License is complete when the Technology is transferred to the Licensee.

	May 31 2019 $	August 31 2018 $
Balance – Beginning	-	17,803
Earned revenue	-	(17,803)
Balance – Ending	-	-

12. Common Shares and Warrants

Fiscal 2019 Activity

On October 31, 2018, the Company closed a non-brokered private placement for gross proceeds of $1,515,440 (the "Offering"). The Offering consisted of 947,150 units (each, a "Unit") at an issue price of $1.60 per Unit. Each Unit consists of one common share of the Company (a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $2.25 per common share for a period of 24 months following the closing of the Offering. Finder's fees of $45,130 and 28,175 finder's warrants were paid on a portion of the proceeds raised, with each finder's warrant having exercise terms identical to the Warrants issued. The Warrants were valued at $16,095, which were recorded as a share issue cost within additional paid in capital for a net effect of $Nil.

Type of Issuance	Number of Shares	Total Value
Warrant Exercise[1]	1,426,513	$ 737,122
Option Exercise	430,000	66,250
Private Placement	947,150	1,515,440
Per Agreement[2]	100,000	131,000
	2,903,663	**$ 2,449,812**

[1] Includes 384,212 broker warrants exercised for gross proceeds of $144,799

[2] The Company awarded the restricted common shares as required by consulting contracts.

A continuity schedule for warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price $
Balance, August 31, 2017	8,844,506	0.29
Cancelled/Expired	(230,000)	0.17
Exercised	(6,364,145)	0.28
Issued	1,035,913	1.48
Balance, August 31, 2018	3,286,274	0.72
Cancelled/Expired	(17,498)	0.59
Exercised	(1,426,513)	0.52
Issued	1,183,062	1.98
Balance, May 31, 2019	**3,025,325**	**1.31**

The fair value of warrants granted as compensation warrants was estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

	May 31 2019
Expected volatility	104% - 117%
Risk-free interest rate	2.31% - 2.87%
Expected life	2.00 years
Dividend yield	0.00%
Estimated fair value per warrant	$0.52 - $0.57

A summary of warrants outstanding as of May 31, 2019 is presented below:

# of Warrants	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price $
200,000	0.05 years	0.295
250,000	0.50 years	0.83
500,000	0.63 years	1.83
975,325	1.42 years	2.25
100,000	1.98 years	0.96
250,000	1.99 years	1.55
750,000	2.36 years	0.14
3,025,325	**1.42 years**	**1.31**

13. Stock Options

The Company has established its 2007 Equity Incentive Plan, whereby the board of directors may grant up to 412,500 stock options to eligible employees and directors, the 2010 Stock Option Plan whereby the board of directors may, from time to time, grant up to 1,512,500 stock options to officers and employees, and its 2014 Stock Option Plan whereby the board of directors may, from time to time, grant up to 2,157,500 stock options to directors, officers, employees, and consultants, the Equity Incentive Plan whereby the board of directors may, from time to time, grant up to 7,838,713 stock options to directors, officers, employees, and consultants. Stock options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price of the Company's common shares on the day preceding the date of grant. The vesting terms of each grant are set by the board of directors.

Fiscal 2019 Activity

The Company granted in the period ending May 31, 2019:

Quantity	Exercise Price $	Life (Years)
390,000[(1)]	1.27	5
240,000[(1)]	1.06	5
30,000[(1)]	1.16	5
350,000	0.99	5
440,000[(1)]	0.99	5
48,000[(1)]	0.96	5
1,498,000	**1.08**	

[(1)]Options granted vest over a period of three years.

Fiscal 2018 Activity

The Company granted in the period ending May 31, 2018, 200,000 stock options with an exercise price of $0.83 and an expiration date of December 1, 2022 to an officer of the Company, pursuant to an existing management contract and stock options with an exercise price of $1.53 to directors, officers, employees and consultants that enable the option holders to purchase up to 1,725,000 common shares of the Company.

A continuity schedule for stock options is presented below:

	Options	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance, August 31, 2017	3,320,875	0.15		
Exercised	(545,875)	0.17		
Granted	2,025,000	1.49		
Balance, August 31, 2018	4,800,000	0.71		
Expired	(1,415,000)	0.66		
Exercised	(380,000)	0.14		
Granted	1,498,000	1.08		
Balance, May 31, 2019 (Outstanding)	4,503,000	0.90	3.38 years	$ 1,195,075
Balance, May 31, 2019 (Exercisable)	3,721,000	0.91	3.20 years	$ 1,195,075

The fair value of compensation options granted was estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

	May 31 2019
Expected volatility	103% - 144%
Risk-free interest rate	2.19% - 2.89%
Expected life	5.00 years
Dividend yield	0.00%
Estimated fair value per option	$0.73 - $1.07

14. Revenues

	Nine months Ended	
	May 31 2019 $	May 31 2018 $
Product sales	7,284	14,188
Licensing revenue (Note 11)	90,000	321,683
Freight revenue	205	1,062
	97,489	**336,933**

The Company recognized licensing revenue on a pro-rated basis over the term of the Licensing Agreement (Note 11) and additional licensing fees as they were earned. The Company has determined that the support services form an insignificant portion of the licensing contract as they are substantially completed prior to delivery of the Technology and that delivery of the license is complete when the Technology is transferred to the licensee. Additional licensing fees and usage fees are recognized as they are earned. During the period ended May 31, 2019, the Company recognized $Nil of deferred revenue (Note 11), and $90,000 of Licensing and Usage fees. Revenues are significantly concentrated on three customers.

15. Related Party Transactions

For the period ended May 31, 2019, the Company paid/accrued the following:

	Contract	Non-Cash	May 31, 2019 $	Contract	Non-Cash	May 31, 2018 $
Management, consulting and accounting services:						
C.A.B Financial Services Ltd. ("CAB")[1][2]	157,255	-	157,255	108,000	1,002,705	1,110,705
M&E Services Ltd. ("M&E")[1]	83,110	-	83,110	58,140	501,101	559,241
Docherty Management Limited ("Docherty Management")[1]	139,021	-	139,021	106,067	968,329	1,074,396
Company controlled by a director Consulting	-	-	-	12,000	57,395	69,395
Board of Director Fees	18,553	225,436	243,989	-	57,395	57,395
	397,939	**225,436**	**623,375**	**284,207**	**2,586,925**	**2,871,132**

[1] CAB is owned by the CEO of the Company, M&E is owned by the CFO of the Company, and Docherty Management is owned by the President of the Company.

Due to related parties:

As at May 31, 2019, $20,995 (August 31, 2018 - $7,855) was payable to related parties, which are recorded at the exchange amount established and agreed to between the related parties.

16. Segment Information

The Company's operations involve the development and usage, including licensing, of its proprietary nutrient infusion Technology. Lexaria is centrally managed and its chief operating decision makers, being the President and the CEO, use the consolidated and other financial information supplemented by revenue information by category of alternative health consumer products and technology licensing to make operational decisions and to assess the performance of the Company. The Company has identified two reportable operating segments: Intellectual Property Licensing and Consumer Products. Licensing revenues are significantly concentrated on three licensees.

	IP Licensing	Consumer Products	Corporate	Consolidated Total
External Revenue	90,000	7,489	-	97,489
CoGS	-	(7,944)	-	(7,944)
Operating Expenses	(1,033,392)	(395,221)	(1,703,370)	(3,131,983)
Segment Loss	(943,392)	(395,576)	(1,703,370)	(3,042,438)
Total Assets	**635,590**	**188,275**	**2,633,233**	**3,457,098**

17. Commitments, Significant Contracts and Contingencies

As at May 31, 2019, the Company is party to the following contractual commitments:

Party	Monthly Commitment	Expiry Date
C.A.B Financial Services [6]	CAD $29,167	January 1, 2022
Docherty Management Ltd. [6]	CAD $25,000	January 1, 2022
M&E Services Ltd. [1][2]	CAD $12,000	June 1, 2021
Corporate Development	CAD $1,000	Month to Month
Corporate Development	CAD $8,000	Month to Month
Investor relations and communications – Alex Blanchard Capital[1]	CAD $7,500	Month to Month
Office Management[3][4]	CAD $6,500	December 1, 2019
Research & Development	CAD $3,854	Month to Month
Office Rent[5]	CAD $4,823	November 15, 2023

Revenue Incentive Milestones

[1] 100,000 common shares issuable upon the Company achieving non-refundable revenues of $200,000 to any single customer in any consecutive 60-day period for the first 12 months of the contract, plus a further 50,000 common shares issuable upon achieving non-refundable revenues of $200,000 to any single customer in any consecutive 60-day period, during the 13th - 24th months of the contract. If the Company achieves non-refundable revenues of $500,000 in any fiscal quarter, a further 200,000 common shares may be issuable during the first 12 months of the contract and 100,000 common shares during the 13th - 24th months of the contract.

Intellectual Property Milestones

[2] During the term of the agreement, for each provisional patent application substantively devised and successfully created, written, and filed with the U.S. Patent Office for the Company's Technology, 250,000 restricted common shares of the Company will be issuable.

Corporate Development Milestones

[3] For new customers sourced by a Consultant for the first 12 months of the contract; for combined Lexaria Energy and ViPova products and including all combined sales efforts and/or technology licensing revenues, achieving non-refundable revenues of $200,000 to any single customer in any consecutive 60-day period would result in a restricted common share award of 100,000 Company shares (not achieved); and, during the 13th - 24th months of the contract; a restricted common share award of 50,000 Company shares may be achieved; this clause is limited to one payment per customer during the 12-month period, but payable on each customer that meets these sales/licensing thresholds.

[4] For new customers sourced by a Consultant for the first 12 months of the contract; for combined Lexaria Energy and ViPova products and including all combined sales efforts and/or technology licensing revenues, achieving non-refundable revenues of $500,000 in any fiscal quarter would result in a restricted common share award of 200,000 Company shares (not achieved); and, during the 13th - 24th months of the contract; for combined Lexaria Energy and ViPova products and including all sales efforts, achieving non-refundable revenues of $500,000 in any fiscal quarter would result in a restricted common share award of 100,000 Company shares; this clause is limited to one payment per fiscal quarter.

Office Management Milestones

(3) Until December 1, 2018 for combined Lexaria Energy and ViPova products and including all combined sales efforts and/or technology licensing revenues, achieving nonrefundable revenues of $200,000 would result in a restricted common share award of 75,000 Company shares; and from December 2, 2018, until December 1, 2019 for combined Lexaria Energy and ViPova products and including all sales efforts, achieving nonrefundable revenues of $200,000 would result in a restricted common share award of 40,000 Company shares; this clause limited to one payment per customer during the 24 month period, but payable on each customer that meets these sales/licensing thresholds;

(4) Until December 1, 2018 for combined Lexaria Energy and ViPova products and including all combined sales efforts and/or technology licensing revenues, achieving nonrefundable revenues of $500,000 in any fiscal quarter would result in a restricted common share award of 150,000 Company shares; and, from December 2, 2018, until December 1, 2019 for combined Lexaria Energy and ViPova products and including all sales efforts, achieving nonrefundable revenues of $500,000 in any fiscal quarter would result in a restricted common share award of 80,000 Company shares; this clause limited to one payment per fiscal quarter.

Corporate Offices

(5) Corporate office and R&D lab space leased in Kelowna, British Columbia, Canada until November 15, 2023 with an option to extend an additional five years. Base rent is CAN$12.56 per square foot until November 14, 2019, CAN$12.86 per square foot until November 14, 2021 and CAN $13.21 per square foot until November 14, 2023 plus common area maintenance and taxes.

Performance Incentives

(6)A performance bonus equal to 50% of the annual compensation may be payable upon the completion of certain performance criteria as determined by the board of directors of Lexaria. Compensation equal to 2% of the consideration received by the Company from the sale of a subsidiary, excluding certain circumstances. Certain compensation to be paid upon a change of control excluding certain circumstances and participation in the Company's approved stock option plans.

18. Prepaid Expenses

Prepaid expenses consist of the following:

	May 31 2019 $	August 31 2018 $
Advertising & Conferences	63,673	137,654
Consulting Fees	-	4,555
Office & Insurance	40,260	21,533
Legal Fees	18,875	29,990
	122,808	**193,732**

19. Marketable Securities

The components of Marketable Securities were as follows:

	Cost Basis $	Unrealized Gains $	Unrealized Losses $	Total $
August 31, 2018				
Common Stock	25,000	-	(14,849)	10,151
Total	**25,000**	-	**(14,849)**	**10,151**
May 31, 2019				
Common Stock	81,250	9,335	**(15,745)**	74,840
Total	**81,250**	**9,335**	**(15,745)**	74,840

Unrealized losses from common stock are due to market price movements. Management does not believe any remaining unrealized losses represent other-than-temporary impairments based on our evaluation of available evidence.

20. Subsequent Events

a) Subsequent to May 31, 2019 Lexaria terminated its licensing agreement with Biolog Inc. resulting in a $75,000 loss on accounts receivables.

b) Subsequent to May 31, 2019 200,000 warrants were exercised at $0.295 for $59,000.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact may be forward-looking statements. These statements relate to future events or our future financial performance. Any forward-looking statements are based on our present beliefs and assumptions as well as the information currently available to us. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "could", "targets", "goal", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" set forth in Item 1(A) in our annual report on Form 10-K, as filed with the Securities and Exchange Commission on November 14, 2018, that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on any forward-looking statements as they speak only as of the date on which such statements were made, and we undertake no obligation to update any forward-looking statement or to reflect the occurrence of an unanticipated event. New factors may emerge and it is not possible to predict all factors that may affect our business and prospects. Further, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Our unaudited interim consolidated financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP). The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "C$" or "CDN$" refer to Canadian dollars and all references to "common shares" and "shares" refer to the common shares in our capital stock, unless otherwise indicated.

As used in this quarterly report, the terms "Lexaria" "we", "us", "our" and "Company" mean Company and/or our subsidiaries, unless otherwise indicated.

General and Historical Overview of Our Business

The Company was formed on December 9, 2004 under the laws of the State of Nevada as an independent oil and gas company engaged in the exploration, development and acquisition of oil and gas properties in the United States and Canada. In March of 2014, the Company began its entry into the bioscience and alternative health and wellness business and discontinued its involvement in the oil and gas business in November 2014. In May 2016, the Company also commenced out-licensing its patented DehydraTECH™ technology (the "Technology") for improved delivery of bioactive compounds that promotes healthy ingestion methods, lower overall dosing and higher effectiveness in active molecule delivery. The Company has its office in Kelowna, BC, Canada.

Effective at the opening of trading on October 28, 2009, our shares of common stock began trading on the Canadian Securities Exchange (formerly, Canadian National Stock Exchange) under the trading symbol "LXX".

Our common stock is quoted on the OTCQX under the symbol "LXRP" and on the Canadian Securities Exchange under the symbol "LXX".

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In 2014, the Company submitted an application to enter the legal medical marijuana business in Canada and also launched a hemp oil-based food supplement company in the USA.

The Company entered into a joint venture agreement with Enertopia Corp for a prospective medical marijuana business under the Canadian Marijuana for Medical Purposes Regulations (“MMPR”) for a 49% net ownership interest in the business (Enertopia 51%) utilizing an identified location in Burlington, Ontario (the “Burlington Joint Venture”).

On June 26, 2015, we entered into a definitive agreement with Enertopia Corp. and Shaxon Enterprises Ltd. to sell our 49% interest in the Burlington Joint Venture and the MMPR application number 10MMPR0610. Pursuant to the sale terms of the agreement, the joint venture received a non-refundable $10,000 deposit and is entitled to receive up to $1,500,000 in milestone payments upon the Burlington facility becoming licensed under the MMPR. All payments made pursuant to the agreement would be divided 51% to Enertopia Corp. and 49% to our Company. Notwithstanding the foregoing, the Company does not expect the grant of a production license for the Burlington facility.

The Company’s food sciences activities include the development of our proprietary nutrient infusion technologies for the production of functional foods, and the production of enhanced food products under our consumer product brands, ViPova™, Lexaria Energy™, TurboCBD™ and ChrgD+™. The Company’s patented lipid nutrient infusion DehydraTECH™ technology is believed to improve taste, rapidity and delivery of bioactive compounds that include cannabinoids, vitamins, Non-Steroidal Anti-Inflammatory Drugs (NSAIDs), nicotine and other molecules compared to what is possible without lipophilic enhancement technology. This can allow for lower overall dosing requirements and/or higher effectiveness in active molecule delivery.

We began filing patent applications on our intellectual property during 2015 through the US Patent Office (USPTO), and also internationally under the Patent Cooperation Treaty (PCT). We were granted our first patent in October of 2016 and to date have been granted six patents through the USPTO and five in Australia.

Lexaria hopes to reduce other common but less healthy administration methods, such as smoking, as it embraces the benefits of its technology for public health. The Company is aggressively pursuing patent protection in national jurisdictions around the world. The Company currently has more than 50 patent applications pending worldwide and, due to the complexity of pursuing patent protection, the quantity of patent applications will vary continuously as each application advances or stalls. Lexaria is also filing new patent applications for novel new discoveries that arise from the Company’s R&D programs and, due to the inherent unpredictability of scientific discovery, it is not possible to predict if or how often such new applications might be filed.

As at May 31, 2019, we have identified two reportable operating segments: Intellectual Property Licensing and Consumer Products.

We maintain our registered agent's office and our U.S. business office at Nevada Agency and Transfer Company, 50 West Liberty, Suite 880, Reno, Nevada 89501. Our telephone number is (755) 322-0626.

The address of our principal executive office is Unit 100–740 McCurdy Road, Kelowna BC V1X 2P7. We have administrative functions located in Phoenix, Arizona. Our main corporate website is located at www.lexariabioscience.com.

Our common stock is quoted on the OTCQX under the symbol "LXRP" and on the Canadian Securities Exchange under the symbol “LXX”.

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008, by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents available free of charge at www.sedar.com.

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Our Current Business

Our company's business plan is currently focused on the development of strategic partnerships with licensees for our patented Technology in exchange for up front and/or staged licensing fees over time. Secondarily and more generally, we continue to investigate national and international opportunities for development and distribution of the Company's enhanced functional food and supplement product offerings; to investigate expansions and additions to our intellectual property portfolio; and, to search for additional opportunities in alternative health sectors. This includes the acquisition or development of intellectual property if and when we believe it is advisable to do so.

Our current patent portfolio includes patent family grants relating to: Infused Food and Beverage Compositions and Methods of Use Thereof, pertaining to Lexaria's method of improving bioavailability and taste, and the use of DehydraTECH™ technology as a delivery platform for a wide variety of Active Pharmaceutical Ingredients ("APIs") encompassing all cannabinoids including THC; fat soluble vitamins; non-steroidal anti-inflammatory pain medications ("NSAIDs"); and nicotine.

To date, the following patents have been awarded:

Issued Patent #	Patent Issuance Date	Patent Family
US 9,474,725 B1	10/25/2016	Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	12/12/2017	
US 9,972,680 B2	5/15/2018	
US 9,974,739 B2	5/22/2018	
US 10,084,044 B2	9/25/2018	
US 10,103,225 B2	10/16/2018	
AUS 2015274698	6/15/2017	
AUS 2017203054	8/30/2018	
AUS 2018202562	8/30/2018	
AUS 2018202583	8/30/2018	
AUS 2018202584	1/10/2019	

We are seeking additional patent protection for what we believe to be a unique process for the nutritional delivery of certain molecules such as Cannabinoids, Nicotine, Non-Steroidal Anti-Inflammatory Drugs (NSAIDs), and Vitamins. To achieve sustainable and profitable growth, our company intends to control the timing and costs of our projects wherever possible. We have filed for patent protection of our DehydraTECH delivery technology for additional compounds such as phosphodiesterase inhibitors, human hormones such as estrogen and testosterone, and more.

During the nine-month period ended May 31, 2019, and up to the date of this report, we experienced the following significant corporate developments:

On September 7, 2018, the Company announced additions to its patent portfolio with three new Australian patents granted to Lexaria by the Australian Patent Office. The three Australian patents are projected to expire on June 10, 2035.

The US Patent & Trademark Office also issued two new Notices of Allowance for pending patent applications and the Company announced the grants on

October 16, 2018. The two new patents are related to certain cannabinoid infused beverage compositions utilizing Lexaria's proprietary DehydraTECH process. Newly granted patent numbers US 10,103,225 B2 and US 10,084,044 B2 provide protection for compositions as well as methods for making the compositions, each of which include the use of both non-psychoactive cannabinoids such as CBD and also psychoactive cannabinoids such as THC. The Company holds eleven issued patents within its first patent family, "Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof" that significantly strengthen Lexaria's intellectual property claims in the US and Australia. We continue to pursue claims in corresponding pending applications within this first patent family around the world.

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On September 7, 2018, the Company announced the filing of a new strategic patent application. The new provisional patent application is entitled "Lipophilic Active Agent Infused Tobacco Leaves and/or Tobacco Materials and Methods of Use Thereof". This application represents Lexaria's tenth patent family and expands the applicability of the already-patented DehydraTECH™ process to impart benefits to tobacco leaves that may be utilized to deliver compounds that may or may not include nicotine.

Lexaria also announced it cancelled the contract announced on April 25, 2018 with GP Holdings LLC due to ongoing delays and non-performance.

On October 10, 2018, the Company announced it has completed the creation of four wholly-owned subsidiary companies. This new corporate structure more suitably reflects the distinct customer bases and business applications for each subsidiary, thereby allowing the Company to focus its future research

and consider financing structures and industry partnerships specifically optimized to each.

- Lexaria CanPharm Corp., a Canadian company focused on providing DehydraTECH™ technology and other enhancements to the global cannabis industry.
- Lexaria Nicotine Corp., a US company with a global license to provide DehydraTECH technology to the global nicotine and tobacco industries.
- Lexaria Hemp Corp., a US company globally licensed to provide DehydraTECH to the rapidly growing hemp-based foods and supplements industries.
- Lexaria Pharmaceutical Corp., a US company globally empowered to license DehydraTECH to the large and diverse pharmaceutical sectors.

On October 31, 2018, the Company closed a non-brokered private placement for gross proceeds of $1,515,440 (the “Offering”). The Offering consisted of 947,150 units (each, a “Unit”) at an issue price of $1.60 per Unit. Each Unit consists of one common share of the Company (a “Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to acquire one common share of the Company at a price of $2.25 per common share for a period of 24 months following the closing of the Offering. Finder’s fees of $45,080 and 28,175 finder’s warrants were paid on a portion of the proceeds raised, with each finder’s warrant having exercise terms identical to the Warrants issued. The Warrants were valued at $16,095, which were recorded as a share issue cost within additional paid in capital for a net effect of $Nil.

On November 13, 2018, the Company announced the launch of ChrgD+, a water-soluble, ready-mix hemp supplement powder packet formulation designed to be added to any drink. Lexaria engaged Cultivating Wellness Inc., a California-based brand development and distribution company, to create the ChrgD+ premium brand. Cultivating Wellness’ distribution network reaches tens of thousands of retail buyers in c-stores, grocery chains, specialty retail, and national accounts.

On November 26, 2018, the Company announced it submitted a research application under Health Canada’s Cannabis Tracking and Licensing System for the operation of a Kelowna-based R&D laboratory within Lexaria’s new head office. The laboratory will enhance Lexaria’s ability to formulate for analytical purposes, various products that may contain cannabinoids or other controlled substances. Lexaria expects to work on cannabinoid related formulations as soon as the lab receives its research license to do so. Experimental work on nicotine formulations, nonsteroidal anti-inflammatory drugs, vitamins and other bioactive compounds of interest will also begin soon after completion of lab construction. Bringing this work in-house is expected to enable the Company to expand its work schedules while reducing costs and development timelines. Lexaria also appointed Dr. Ed Ergenzinger to its executive team as Chief Legal Officer and Senior Vice President of Innovation for the Company. Dr. Ergenzinger is a U.S. licensed patent attorney who also holds a doctorate in Neuroscience (with concentrations in Pharmacology and Physiology) and is an Adjunct Professor of Law.

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On December 7, 2018, the Company announced it hired additional personnel including a new corporate controller; head of legal division and other office staff. As a result of the positions created, Lexaria issued 240,000 stock options with an exercise price of $1.06, that vest 80,000 per year until April 15, 2021 and 30,000 options with an exercise price of $1.16 that vest 10,000 per year until April 15, 2021.

On January 15, 2019, the Company announced that its wholly-owned subsidiary Lexaria Nicotine LLC ("Lexaria Nicotine") and Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc. ("Altria"), executed definitive agreements to pursue innovation in oral, reduced risk nicotine consumer products using Lexaria's patented DehydraTECH™ technology. Altria is funding a milestone-based research & development program ("R&D Program") in exchange for a minority equity interest in Lexaria Nicotine and certain DehydraTECH license rights. Altria will provide initial funding of $1 million, with the option for additional funding of up to $12 million through multiple phased private financings. Altria was granted a license to use Lexaria Bioscience's DehydraTECH technology for oral nicotine delivery forms on an exclusive basis in the United States and a non-exclusive basis elsewhere globally. Altria will pay Lexaria Nicotine a royalty on revenue generated from the sale of nicotine products containing DehydraTECH, until such time it may acquire 100% ownership in Lexaria Nicotine. Altria will initially have the right to appoint one of the seven directors on Lexaria Nicotine's board of directors and, through the additional phased investments, may have the right to appoint up to three of the seven directors. Altria has the option to acquire 100% ownership interest in Lexaria Nicotine commensurate with then-current fair market value.

On February 21, 2019, the Company announced additional findings upon completion of further data analyses from its 2018 randomized, placebo-controlled, double-blinded European human clinical study that evaluated TurboCBD™, the Company's proprietary, DehydraTECH™ powered, cannabidiol ("CBD") fortified hemp-oil capsule. A single 90mg dose of TurboCBD provided evidence of lower blood pressure; higher blood flow to the brain; faster delivery onset of CBD into the bloodstream; and, larger quantities of CBD within the blood compared to a single 90mg dose of generic CBD.

Key metabolic and hemodynamic performance findings linked to bioavailability enhancements were revealed in the study, which compared a 90 mg dose of Lexaria's TurboCBD™ to a 90 mg dose without Lexaria's DehydraTECH™ technology (the "positive control") as well as a placebo, as follows:

- Analysis of mean arterial blood pressure (MAP) at peak blood levels of CBD achieved with Lexaria's TurboCBD™ demonstrated a significant reduction in MAP compared to placebo (95% CI; p=0.027). This finding was not observed with the dose-matched positive control formulation for which there was no significant decrease in MAP compared to placebo (95% CI; p=0.625);
- Cerebral perfusion was also analysed by an index of conductance in the middle cerebral artery (MCA). The findings revealed that Lexaria's TurboCBD™ caused the greatest increase in MCA conductance relative to both the positive control formulation and placebo (95% CI; p=0.017 and P=0.002 respectively);

Finally, over the six-hour study, analysis of the total area under the curve (AUC) demonstrated that Lexaria's TurboCBD™ resulted in a notable trend for higher levels of CBD in the bloodstream overall than the positive control formulation with total AUC of 10,865 ± 6,322 observed with Lexaria's formulation compared to 7,115 ± 2,978 observed with the positive control (95% CI; p=0.096). Furthermore, when normalized to body mass, the AUC at

the peak CBD concentration was markedly and significantly (95% CI; p=0.02) higher with the TurboCBD™ 90 mg dose compared to the 90 mg dose positive control formulation.

On March 20, 2019, the Company announced an in vivo research program to test Lexaria designed nanotech enhancements comprised of eleven separate animal studies. Lexaria also announced that, effective March 15, 2019, it terminated the definitive license agreement entered into between Lexaria CanPharm ULC and NeutriSci International Inc. that was originally announced on February 26, 2018.

On April 9, 2019, the Company announced it negotiated 3-year term renewal management contracts with Chief Executive Officer Chris Bunka and President John Docherty. The annual compensation payable is CDN$350,000 with respect to our CEO and CDN$300,000 with respect to our President, with such contracts contemplating performance-related bonuses.

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On April 24, 2019, the Company announced that it entered a definitive 5-year agreement, via its subsidiary Lexaria Canpharm ULC, to provide Lexaria's patented DehydraTECH technology to a private California-based company for its utilization in certain CBD-based beverages to be produced and sold in California and Nevada that may include any combination of ready-to-drink beverages such as non-alcoholic beers, wines and spirits; cold or hot coffee or teas, sports drinks and more.

On May 7, 2019, the Company announced that it entered a definitive 5-year agreement, via its subsidiary Lexaria Hemp Corp., to provide Lexaria's patented DehydraTECH technology to a private Nevada-based company for its utilization in certain CBD-based beverages to be produced and sold across the USA that may include any combination of ready-to-drink beverages such as non-alcoholic beers, wines and spirits; cold or hot coffee or teas, sports drinks and more.

On May 15, 2019, the Company released initial results from its research program announced March 2019 demonstrating measurable quantities of cannabidiol into blood in as little as 2 minutes. In each arm of the Lexaria animal studies, 10 male Sprague-Dawley rats were administered CBD at 25mg per kg of bodyweight. Delivery of CBD into the bloodstream was monitored over a 60-minute duration. In the first animal study results, Lexaria compared

its standard DehydraTECH formulation that combines cannabinoids with long-chain fatty acids (“LCFA”) using Lexaria’s patented dehydration processing technique to a concentration-matched formulation utilizing coconut oil which is a commonly used medium chain triglyceride (“MCT”) oil in the cannabis edibles industry.

- At 2 minutes DehydraTECH’s LCFA formulation delivered measurable CBD in blood, compared to no measurable CBD in blood until 6 minutes and onwards for the MCT oil formulation.
- At 15 minutes DehydraTECH’s LCFA formulation achieved a CBD blood concentration level that was 475% more than the MCT oil formulation; and, the DehydraTECH LCFA formulation CBD blood levels reached at 15 minutes were greater than the CBD blood levels reached by the MCT oil formulation at any time point during the 60-minute evaluation.
- At 60 minutes DehydraTECH’s LCFA formulation achieved a CBD blood concentration level of 319% more than the MCT oil formulation.
- Over the entire 60-minute study, the animals that received the standard DehydraTECH LCFA formulation achieved an average maximum CBD blood concentration level that was 334% more than the average maximum blood concentration level of the animals that received the MCT oil formulation ($p<0.0021$).
- Over the entire 60-minute study, the area under the curve (AUC) (total quantity of CBD delivered) for the Lexaria DehydraTECH LCFA formulation was 389% more than the MCT oil formulation ($p<0.0011$).

Lexaria also tested for brain tissue concentrations to quantify 8-hour CBD delivery from the DehydraTECH-enabled LCFA formulation compared to the MCT oil formulation and DehydraTECH’s LCFA formulation outperformed the MCT oil formulation by 246%.

On May 21, 2019, the Company announced a major expansion in operations by Nuka Enterprises LLC, (“Nuka”) maker of 1906 edibles over the next two years into Illinois, Ohio, Massachusetts, Michigan and other states. The comprehensive semi-exclusive agreement provides Nuka and 1906 with competitive technological advantages until 2028. A second license provides Nuka and 1906 with the immediate ability to utilize DehydraTECH technology for CBD across the US marketplace.

On May 28, 2019, the Company released additional results from its research program wherein animal testing proved that combining Lexaria’s DehydraTECH delivery technology with generic nanotech techniques delivers 1,137% more cannabidiol into animal brain tissue following oral ingestion than certain existing industry formulations. Lexaria combined its DehydraTECH delivery technology with a standard form of nanotechnology and analyzed subsequent delivery into brain tissue following oral ingestion. In each arm of the Lexaria animal studies, 10 male Sprague-Dawley rats were orally administered CBD at the rate of 25mg per kg of bodyweight. Delivery of CBD into the brain was reported 8 hours after dosing.

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- The Lexaria DehydraTECH LCFA formulation without nanotech achieved an average brain tissue accumulation level that was 246% higher than the average for those animals that received the MCT oil formulation (p=0.0013).
- The Lexaria DehydraTECH LCFA formulation with nanotech achieved an average brain tissue accumulation level that was 1,137% higher than the average for those animals that received the MCT oil formulation (p=0.0178).

For the nine-month period ended May 31, 2019, the following table summarizes the share issuances and related values:

Type of Issuance	Number of Shares	Total Value
Warrant Exercise[1]	1,426,513	$ 737,122
Option Exercise	430,000	66,250
Private Placement	947,150	1,515,440
Per Agreement[2]	100,000	131,000
	2,903,663	**$ 2,449,812**

[1] Includes 384,212 broker warrants exercised for gross proceeds of $144,799

[2] The Company awarded the restricted common shares as required by consulting contracts.

Food Science and Technology

Lexaria is a Biotechnology and food science company focused on developing and out-licensing its proprietary technology for improved taste, rapidity, and delivery of bioactive compounds in foods and other ingestible products Lexaria is focusing its capital and management time on its pursuit of intellectual property, technology licensing opportunities, an expanding portfolio of patent pending applications, and functional food and supplement formulations.

On November 11, 2014, our Company acquired 51% of PoViva Tea LLC and executed an operating agreement to develop a business of legally producing, manufacturing, importing/exporting, testing, researching and developing, a line of hemp oil with cannabidiol-infused teas, drinks and foods. Lexaria oversees all aspects of the business including, but not limited to, production, product quality, licensing, testing, product legality, accounting, marketing, capital investment, capital raising, sales, branding, advertising and fulfillment. On November 2, 2017, we announced that we acquired 100% of PoViva Tea LLC.

The Company introduced an expanding variety of hemp fortified consumer food products throughout 2015 to demonstrate Lexaria's DehydraTECH^{TM}

technology to both consumers and potential licensees. From January 2015 to December 2015, seven (7) flavors of teas; hot chocolate; coffee, and two (2) flavors of protein energy bars were introduced – all utilizing Lexaria's patented technology DehydraTECH for the more palatable and efficient delivery of bioactive molecules infused within those food products.

In the production of the products, for each raw material to be used in ViPova™ -branded products, the Company assesses if the product inputs and the completed products comply with all applicable food and drug laws, and that the inputs and the finished products meet all applicable legal and quality standards including and as it relates to hemp oil content; THC content; molds and mildews; heavy metals; and may measure additional components.

The US Federal government, through the US Department of Health and Human Services, owns US Patent #6630507, which among other things, claims that

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> *"Cannabinoids have been found to have antioxidant properties, unrelated to NMDA receptor antagonism. This new found property makes cannabinoids useful in the treatment and prophylaxis of wide variety of oxidation associated diseases, such as ischemic, age-related, inflammatory and autoimmune diseases. The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, such as stroke and trauma, or in the treatment of neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia."*

For reference, cannabinoids are compounds that affect cannabinoid receptors located on many human cells. CB1 receptors are widely found within the human brain; and CB2 receptors are found with the human immune system and have been linked to anti-inflammatory and other responses.

Despite independent scientific findings in many locations around the world, some regulatory agencies do not officially recognize that a human endocannabinoid system exists.

Over one hundred different cannabinoids have been isolated from the cannabis plant, most of which do not have psychoactive properties. One that does

have psychoactive properties is tetrahydrocannabinol (THC). Endocannabinoids are produced naturally in the human body while phytocannabinoids are produced in several plant species, most abundantly in the Cannabis plant.

Cannabidiol ("CBD") is one of the major phytocannabinoid forms of cannabinoids and is not psychoactive, often contributing more than 35% of the extracts from the cannabis plant resin. Cannabidiol occurs naturally in other plant species beyond cannabis. For example, the most widely acknowledged alternative source of phytocannabinoid is in the better understood Echinacea species, in widespread use as a dietary supplement. Most phytocannabinoids are virtually insoluble in water but are soluble in lipids and alcohol. The World Anti Doping Agency ("WADA") has exempted CBD from its 2018 list of banned substances.

The Alternative Health sector is large and growing. A long-term Medical Expenditure Panel Survey was conducted from 2002 until 2008 with at least 29,370 subjects asked repeatedly if they had seen any kind of health care practitioner in the previous six months. The survey recorded whether the health care provider was a "complementary and alternative medicine care professional," including "homeopathic, naturopathic, or herbalist."

Between 5.3% and 5.8% of the survey group at any one time reported that they had seen a complementary or alternative medicine provider. Based on the US population of ~328,000,000, this suggests between 17.4 million and 19.0 million Americans are seeking an alternative health care professional at any given time.

Meanwhile the Centers for Disease Control and Prevention, in an April 2011 NCHS Data Brief, reported that more than 50% of the population uses dietary supplements of one kind or another. Detailed findings from that report included:

- Use of dietary supplements is common among the U.S. adult population. Over 40% used supplements in 1988–1994, and over one-half in 2003–2006.
- Multivitamins/multiminerals are the most commonly used dietary supplements, with approximately 40% of men and women reporting use during 2003–2006.
- Use of supplemental calcium increased from 28% during 1988–1994 to 61% during 2003–2006 among women aged 60 and over.

Status of Operations; Consumer product development and sales

More than 150 million Americans drink tea every day, amounting to some 79 billion servings of tea in America every year. Our launch of ViPova™ Tea brand is meant to tap into this existing demand. Part of our corporate strategy is to build national brands through products that large groups of potential customers are already familiar and comfortable with.

PoViva Tea, LLC (now Poviva Corp.). has filed multiple patents pending and has received several granted patents to bind active hemp oil ingredients with a lipid, potentially allowing for more efficient and comforting delivery of the CBD.

Lexaria began producing cash flows from its products in January 2015 focusing on the immediate opportunities in the hemp-oil-sectors that are federally legal. Cannabinoids have been found by many researchers to have antioxidant properties and Lexaria plans to use the patented DehydraTECH process to infuse hemp oils into a number of popular food and beverages.

Lexaria has launched a line of premium products, always relying on our DehydraTECH patented infusion process, to bring hemp oil into the mainstream. Because hemp oil does not have psychoactive properties we expect our products to appeal to the widest possible customer base. To date we have focused our sales efforts across the continental USA. Some studies have found that 3% of the Canadian population regularly consumes hemp food products, while 1% of the American population regularly consumes hemp food products. We believe the consumption of hemp-based food products offers exceptional growth possibilities.

According to Nutrition Business Journal, the Organic Food sector was a $246 billion industry in the USA during 2014, while Dietary Supplements was a $34.6 billion industry. According to Arcview, Legal Cannabis was a $4.7 billion US industry in 2015 and expected to grow to over a $20 billion sector before 2025 but is clearly a much smaller industry sector than the more established food sectors. Lexaria has not yet determined whether our hemp oil-infused products will be accepted into any or all three of these particular sectors.

Lexaria has a main corporate website (www.lexariabioscience.com) as well as smaller e-commerce focused websites devoted to consumer products. The majority of product sales have taken place through the e-commerce websites. A contracted national distribution center ensures rapid and accurate fulfillment of all orders. A 1-800 ordering center has also been placed into operation.

On June 11, 2015, Lexaria initiated the simultaneous filing of a U.S. utility patent application and an International patent application under the Patent Cooperation Treaty (PCT) procedure, both through the U.S. Patent and Trademark Office (“USPTO”). These applications follow the Company’s 2014 and 2015 family of provisional patent application filings in the U.S. and serve two additional broad purposes:

1) Lexaria is seeking protection of its intellectual property under international treaties. To this end Lexaria has filed for PCT patent application protection. There are 148 countries that are signatories to the Patent Cooperation Treaty, including such major markets as Canada, China, India, much of Europe and the Middle East, the United Kingdom and Japan among others.
2) Lexaria believes its lipid infusion technology has applications beyond the delivery of just cannabinoids. Based on further formulation testing, Lexaria has included additional lipophilic molecules that may be delivered via food and beverage formats utilizing its technology, widely encompassing three major new market opportunities for the Company: Nicotine; Nonsteroidal Anti-Inflammatories (NSAIDs); and Vitamins.

In December 2015, the Company filed two further provisional patent applications in the U.S. These new applications served to further broaden the variety and applicability of base compounds that can be used when formulating the Company’s lipid based technology. The first of these applications identify compounds like edible starches (e.g., tapioca starch) that are commonly used in food products today and could, therefore, serve as a base for formulating

and incorporating the Company's Technology into a wide variety of every day food products. The second of these applications identify emulsifier compounds like Gum Arabic that are commonly used in beverage products today in order to facilitate similar flexibility for formulating the Company's Technology in every day, shelf-stable beverages.

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On October 26, 2016, the USPTO issued U.S Patent No. 9474725, Cannabinoid Infused Food and Beverage Compositions and Methods of Use Thereof, pertaining to our method of improving bioavailability and taste of certain cannabinoid lipophilic active agents in food products. This is the Company's first patent granted and has a publish date of October 27, 2016 (June 15 2017 in Australia No. 2015274698) and protects our technology for twenty years. On December 12, 2017, the USPTO granted patent number US 9,839,612 B2 for the use of DehydraTECH™ technology as a delivery platform. On May 22, 2018 patent US 9,974,739 B2, "Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof" was granted providing for "composition of matter" claims that protect the specific combination of substances which enable improved taste and bioabsorption

properties of its DehydraTECH™ technology for the delivery of cannabinoids. On May 15, 2018 patent US 9,972,680 B2, “Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof” was granted providing claims that protect processes for making specific compositions of matter for enhanced cannabinoid delivery utilizing its DehydraTECH™ technology. On August 31, 2018 Australian patents 2017203054, 2018202562, and 2018202583 were granted. On September 25, 2018 the USPTO granted US 10,084,044 B2 and on October16, 2018 US 10,103,225 B2 within the same patent family.

The Company does not know and cannot know whether these strategies will be successful, or if successful, how long it will take to gain consumer acceptance and customer loyalty. It can be a challenge to be successful by introducing new consumer products to a competitive retail marketplace, and we can offer no assurances that our products will be a commercial success.

International Patent Protection

When Lexaria first began examining the legal medical cannabis market in 2013, and entered the market in 2014, the Company believed it could make an impact in perhaps both the Canadian and U.S. marketplaces. Our pursuit and development of technology has expanded our potential area of impact, both geographically and by sector. Because of the applicability of our technology to markets outside of the legal cannabis sector, we have taken the necessary steps to protect that intellectual property within larger global markets, regardless of whether they lie within the medical cannabis sector or in other unrelated sectors.

Additional Molecules

NICOTINE. More than 99% of all nicotine that is consumed worldwide is delivered through smoking cigarettes. Approximately 6,000,000 deaths per year, worldwide, are attributed primarily to the delivery of nicotine through the act of smoking according to the Centers for Disease Control and Prevention, which also estimates that over $170 billion per year is spent just in the USA on direct medical care costs for adult smokers. 69% of U.S. adult smokers want to quit smoking and 43% of US adult smokers have attempted to quit in any twelve-month period.

Worldwide, retail cigarette sales were worth $722 billion in 2013, with over 5.7 trillion cigarettes sold to more than 1 billion smokers.

RELEVANCE: Lexaria postulates that enhanced delivery of nicotine to satisfy current demand, utilizing our patented lipid-delivery technology, in non-combusted, oral product formats, could shift demand away from smoking cigarettes and vaping e-cigarettes. Since most of the adverse health outcomes of nicotine consumption are associated with today's inhaled delivery methods and only to a lesser degree to the actual consumption of nicotine, there could be a vast positive community health outcome through the reduction in smoking and vaping tobacco products. Additional research and regulatory compliant investigations would need to be conducted before otherwise healthy oral product formats containing DehydraTECH-enabled nicotine could be introduced. Nicotine is a named molecule in the latest Lexaria patent applications.

NSAID. Non-steroidal Anti-inflammatories are the second-largest category of pain management treatment options in the world. The global pain management market was estimated at $22 billion in 2011, with $5.4 billion of this market being served by NSAID’s. The U.S. makes up over one-half of the global market. The opioids market (such as morphine) form the largest single pain management sector but are known to be associated with serious dependence and tolerance issues.

Some of the most commonly known NSAIDs are ASA (Aspirin), Ibuprofen (Advil, Motrin), and Acetaminophen (Tylenol - Acetaminophen is not accepted by all persons to be an NSAID). Although NSAIDs are generally a safe and effective treatment method for pain, they have been associated with a number of gastrointestinal problems including dyspepsia and gastric bleeding.

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RELEVANCE: Lexaria postulates that delivery of NSAIDs through a lipid-based mechanism could provide the beneficial properties of pain relief with lessened negative gastrointestinal effects, and also potentially deliver lower dosages of active ingredients with similar pain management outcomes as current pill forms at higher dosages. ASA, Piroxicam, Diclofenac, Indomethacin, Ibuprofen, and Acetaminophen are all named molecules in the latest Lexaria patent applications.

VITAMINS. The global vitamin and supplement market is worth $68 billion according to Euromonitor. The category is both broad and deep, comprised of many popular and some lesser known substances. Vitamins in general are thought to be an $8.5 billion annual market in the U.S. The U.S. is the largest single national market in the world, and China and Japan are the 2nd and 3rd largest vitamin markets.

Vitamin E is fat soluble and can be incorporated into cell membranes which can protect them from oxidative damage. Global consumption of natural source vitamin E was 10,900 metric tons in 2013 worth $611.9 million.

RELEVANCE: Lexaria postulates that delivery of fat soluble vitamins through its patented lipid-based delivery mechanism may result in less waste and lower dosages required than most current pill forms. As well, ingestion of pills is an unpleasant experience for many people so it is possible that vitamin delivery through common food groups could vastly expand market demand for this sector. Vitamin E is a named molecule in the latest Lexaria patent applications.

On August 11, 2015, Lexaria signed a license agreement with PoViva Tea LLC for $10,000, granting Lexaria a 35-year non exclusive worldwide license to unencumbered use of PoViva Tea LLC's IP Rights, including rights of resale. This license agreement ensures Lexaria has full access to the underlying infusion technology. On January 14, 2019 this agreement was updated whereby Poviva Corp. granted Lexaria an exclusive license to the DehydraTECH™ technologies lasting the later of 25 years of the expiration date of the last of Poviva Corp.'s granted patents.

Scientific testing and validation

On August 24, 2015, the Company announced potential industry-changing achievements in enhanced gastro-intestinal absorption of cannabidiol (CBD) utilizing Lexaria's technology. The third-party testing was conducted in two phases of *in vitro* tests beginning in June and completed in August, 2015.

The independent laboratory results delivered average CBD permeability of 499% of baseline permeability, compared to CBD permeability without Lexaria's Technology. These results exceed Company expectations. This was assessed in a strictly controlled, *in vitro* experiment using a human intestinal tissue model. Samples of Lexaria's commercially available CBD-fortified ViPova™ black tea were administered in the model compared with concentration-matched CBD control preparations that lacked Lexaria's patented formulation and process enhancements. Lexaria believes that its *in vitro* findings provide compelling evidence of the intestinal absorption enhancing capabilities of its technology, based on which it is exploring opportunities to progress to more advanced, follow-on bioavailability testing in animals.

The tests also showed 325% of baseline gastro-intestinal permeability of CBD comparing Lexaria's CBD-fortified ViPova™ black tea to a second control of CBD and black tea combined, *without* Lexaria's patented formulation enhancements. This confirmed that the specialized processing undertaken by Lexaria during its manufacturing process together with its formulation enhancements, does indeed significantly improve absorption levels.

The bioavailability of CBD (or of THC) varies greatly by delivery method. Smoking typically delivers cannabinoids at an average bioavailability rate of 30% (Huestis (2007) Chem. Biodivers. 4:1770–1804; McGilveray (2005) Pain Res. Manag. 10 Suppl. A:15A – 22A). By comparison, orally consumed cannabis edibles typically deliver cannabinoids at an average bioavailability rate of only 5% (Karschner et al. (2011) Clin. Chem. 57:66–75).

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The Company's present findings suggest that its technology may achieve a 5-fold improvement in cannabinoid absorption in edible form over that which can be achieved without its proprietary process and formulation enhancements. This conceptually supports that Lexaria's Technology represents a significant breakthrough in cannabinoid delivery by approximating the high absorption levels achieved as though through administration by smoking, but without the associated negative effects on human health caused by smoking.

The tests were completed in two phases culminating with testing using simulated intestinal fluid conditions that delivered these findings. These results were stronger than earlier iterations of the tests that did not use a simulated intestinal fluid environment and contributed to Lexaria's understanding of the mechanisms at work. For these and other reasons, Lexaria believes that bioavailability testing in animals is likely to yield even stronger absorption results in the presence of natural intestinal fluid conditions.

CBD has been repeatedly found to provide beneficial pain relieving, anti-inflammatory, anti-anxiety, neuroprotection, anti-psychotic, and anti-convulsive effects among others. Lexaria's patented Technology could significantly reduce individual serving requirements for CBD to consumers. This could lead to reduced costs of consumption for consumers and increased profitability for Lexaria.

Lexaria believes that the same technology used to enhance the absorption of CBD in the recent laboratory tests, is applicable to THC, nicotine, NSAIDs and other lipophilic compounds that are widely used today.

During January 2015, Lexaria conducted a study of nitric oxide levels in humans, as a biomarker for absorption of cannabidiol, with the expectation that it would provide additional evidence of the efficient absorption of cannabidiol from Lexaria food products enhanced with hemp oil, by demonstrating the elevation of nitric oxide in the human body in response to product ingestion.

The study data from human subjects demonstrated significant elevation of systemic nitric oxide levels as a surrogate biomarker for cannabidiol (CBD) bioabsorption in response to ingestion of Lexaria's products. This provided clinical support for the CBD bioavailability enhancing properties of Lexaria's patented Technology, on the premise that bioavailable CBD is known to elevate levels of the endocannabinoid anandamide in the human body which, in turn, stimulates release of nitric oxide in the vascular system.

In summary, consuming Lexaria and ViPova™ food products resulted in elevated levels of nitric oxide within the body. The results of the study indicated that all Lexaria and ViPova™ food products elicited significant increases in salivary nitric oxide, achieving levels from 110 µM to as high as 220 µM in the test subjects. The beverage products generally had faster initial responses in as little as 15 minutes after product ingestion, whereas the initial responses from the protein-energy bars required 30 minutes. The faster response time with the beverage products was to be expected, given the relative ease of digesting liquids versus solids. All products sustained their maximum levels of nitric oxide detection through to the 60-minute end-points used in the study, indicating a need for additional study to determine the length of time that nitric oxide levels remain elevated following production consumption.

The study assessed six flavors of ViPova™ tea (Yunan Black, Herbal Cherry Black, Earl Grey, Herbal Bengal Chai, Herbal Masala Chai and Decaf English Breakfast), ViPova™ Columbian Supremo Coffee, ViPova™ Hot Chocolate and Lexaria Energy Foods' Chocolate Berry Date and Cashew Berry Date protein-energy bars.

Six healthy human subjects (3 male and 3 female) between the ages of 22 and 65 years of age were recruited for the study. Subjects were screened for cardiovascular and allergic response to hemp products, were non-smokers and did not have any history of substance or alcohol abuse. One product was studied per day across all six subjects, with each subject consuming a full product serving size. Subjects were required to refrain from eating food or using vape products for at least 12 hours before test article administration on each day of the study. Nitric oxide levels in the test subjects were assessed using a commercially available, colorimetric test kit designed to quantify systemic nitric oxide via a detectable salivary marker. Immediately before test article administration each day, all subjects were required to demonstrate a negative baseline nitric oxide saliva test. Subjects were considered to have a negative test strip reading at a level of 20 µM according to the test strip scale, and positive readings anywhere above this. Subjects performed salivary nitric oxide testing at 15, 30, 45 and 60 minutes' post-consumption of each product. All subjects remained sedentary from baseline through to the completion of testing for each product.

In August of 2018 we released results from our TurboCBD™ capsules in a 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.

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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.

Additional study analysis was released in February 2019:

Key metabolic and hemodynamic performance findings linked to bioavailability enhancements were revealed in the study, which compared a 90 mg dose of Lexaria's TurboCBD™ to a 90 mg dose without Lexaria's DehydraTECH™ technology (the "positive control") as well as a placebo, as follows:

- Analysis of mean arterial blood pressure (MAP) at peak blood levels of CBD achieved with Lexaria's TurboCBD™ demonstrated a significant reduction in MAP compared to placebo (95% CI; p=0.027). This finding was not observed with the dose-matched positive control formulation for which there was no significant decrease in MAP compared to placebo (95% CI; p=0.625);
- Cerebral perfusion was also analysed by an index of conductance in the middle cerebral artery (MCA). The findings revealed that Lexaria's TurboCBD™ caused the greatest increase in MCA conductance relative to both the positive control formulation and placebo (95% CI; p=0.017 and P=0.002 respectively);

Finally, over the six-hour study, analysis of the total area under the curve (AUC) demonstrated that Lexaria's TurboCBD™ resulted in a notable trend for higher levels of CBD in the bloodstream overall than the positive control formulation with total AUC of 10,865 ± 6,322 observed with Lexaria's formulation compared to 7,115 ± 2,978 observed with the positive control (95% CI; p=0.096). Furthermore, when normalized to body mass, the AUC at the peak CBD concentration was markedly and significantly (95% CI; p=0.02) higher with the TurboCBD™ 90 mg dose compared to the 90 mg dose positive control formulation.

These results corroborate and confirm other in vitro and in vivo studies that have evaluated Lexaria's DehydraTECH™ technology. Although this study evaluated absorption only of CBD and its metabolites, Lexaria believes nearly identical bioavailability enhancement results would be achieved with other cannabinoids.

During March of 2019 we also launched an in vivo research program to test Lexaria designed nanotech enhancements comprised of eleven separate animal studies and released initial results during May 2019 demonstrating measurable quantities of cannabidiol into blood in as little as 2 minutes. In each arm of the animal studies, 10 male Sprague-Dawley rats were administered CBD at 25mg per kg of bodyweight. Delivery of CBD into the bloodstream was monitored over a 60-minute duration. In the first animal study results, Lexaria compared its standard DehydraTECH formulation that combines cannabinoids with long-chain fatty acids ("LCFA") using Lexaria's patented dehydration processing technique to a concentration-matched formulation utilizing coconut oil which is a commonly used medium chain triglyceride ("MCT") oil in the cannabis edibles industry.

- At 2 minutes DehydraTECH's LCFA formulation delivered measurable CBD in blood, compared to no measurable CBD in blood until 6 minutes and onwards for the MCT oil formulation.

- At 15 minutes DehydraTECH's LCFA formulation achieved a CBD blood concentration level that was 475% more than the MCT oil formulation; and, the DehydraTECH LCFA formulation CBD blood levels reached at 15 minutes were greater than the CBD blood levels reached by the MCT oil formulation at any time point during the 60-minute evaluation.

- At 60 minutes DehydraTECH's LCFA formulation achieved a CBD blood concentration level of 319% more than the MCT oil formulation.

- Over the entire 60-minute study, the animals that received the standard DehydraTECH LCFA formulation achieved an average maximum CBD blood concentration level that was 334% more than the average maximum blood concentration level of the animals that received the MCT oil formulation ($p<0.0021$).

- Over the entire 60-minute study, the area under the curve (AUC) (total quantity of CBD delivered) for the Lexaria DehydraTECH LCFA formulation was 389% more than the MCT oil formulation ($p<0.0011$).

Lexaria also tested for brain tissue concentrations to quantify 8-hour CBD delivery from the DehydraTECH-enabled LCFA formulation compared to the MCT oil formulation and DehydraTECH's LCFA formulation outperformed the MCT oil formulation by 246%.

The Company released additional results from its March 2019 research program wherein animal testing proved that combining Lexaria's DehydraTECH delivery technology with generic nanotech techniques delivers 1,137% more cannabidiol into animal brain tissue following oral ingestion than certain existing industry formulations. Lexaria combined its DehydraTECH delivery technology with a standard form of nanotechnology and analyzed subsequent delivery into brain tissue following oral ingestion. Delivery of CBD into the brain was reported 8 hours after dosing.

- The Lexaria DehydraTECH LCFA formulation without nanotech achieved an average brain tissue accumulation level that was 246% higher than the average for those animals that received the MCT oil formulation ($p=0.0013$).
- The Lexaria DehydraTECH LCFA formulation with nanotech achieved an average brain tissue accumulation level that was 1,137% higher than the average for those animals that received the MCT oil formulation ($p=0.0178$).

We have also completed our first study evaluating DehydraTECH™ used in a topical cream formulation for absorption of CBD through human skin. Results proved significant increases in both speed and quantity of CBD absorption through skin when compared to control formulations. The absorption study was performed on human skin at a California-based laboratory that specializes in Franz diffusion cell skin permeability testing. Lexaria's DehydraTECH™ technology was used together with a sophisticated oil-in-water emulsion formulation design and compared to a series of matching oil-in-water emulsion formulations prepared with the same CBD inputs, with and without the DehydraTECH™ technology and with and without two leading skin penetration enhancers currently used in the skin products industry. Several factors were measured, including the time required to detect CBD skin penetration and quantity, and peak amounts of CBD absorbed into and through the skin, at multiple testing intervals over a 48-hour duration.

Lexaria's DehydraTECH™-enabled topical formulation, absent either of the commercial penetration enhancers, was the fastest acting for absorption into the epidermis, dermis or through the skin into the systemic fraction representing permeation into the underlying circulatory system. Lexaria's DehydraTECH™-enabled product also had no odour even without the use of perfumes, contrary to other cannabinoid industry products that can be quite strongly odoriferous without the use of masking perfumes.

Furthermore, Lexaria's DehydraTECH™-enabled topical formulation without the addition of either of the commercial penetration enhancers, demonstrated the highest overall average quantity of CBD delivered through the skin and into the representative systemic fraction of all the formulations tested, with as much as a 225% increase in CBD permeability when compared to the highest performing commercial penetration enhancer formulation assessed and almost a 1,900% increase in CBD permeability when compared to a control formulation that was devoid of both the DehydraTECH™ technology or any commercial penetration enhancers. The commercial skin penetration enhancers only demonstrated performance that was on par or superior to the DehydraTECH™-enabled formulations tested in so far as total CBD absorption into the shallow epidermis or dermis was concerned.

We have also completed our first ingestible nicotine in vivo (animal) absorption study. Lexaria is pursuing the use of its patented DehydraTECH™ technology as a possible new nicotine delivery method, an edible dose absorbed through the gastrointestinal tract, with potential both as a nicotine replacement therapy as well as an alternative product format for regular tobacco users.

DehydraTECH™ delivered the following major nicotine absorption performance improvements: 1,160% faster delivery of equivalent peak quantities of nicotine to the bloodstream than achieved with controls (within 15 min vs. 2.9 hours), 148% gain in the quantity of peak nicotine delivery to the bloodstream relative to controls, 560% higher brain levels of nicotine where nicotine effects are focused, compared to controls, Lower urine levels of nicotine excreted than controls, for enhanced nicotine activity and bioavailability over the course of the study, lower quantities of key liver metabolites in the bloodstream than controls as hypothesized, suggesting bypass of first pass liver metabolism.

Study Design Parameters:

The study was designed to principally assess the relative ingestible nicotine absorption performance of DehydraTECH™-powered formulations compared to concentration-matched control formulations that lacked any form of delivery enabling technology in rats. Nicotine was administered in a nicotine polacrilex derivative format as is widely commercialized today in nicotine replacement therapy products such as chewing gums. Twelve male rats were divided into four groups of three, such that DehydraTECH™ and control formulations were each tested at a 1 mg/Kg and 10 mg/Kg dosage level. Formulations were administered orally and all rats were cannulated for blood collection at multiple intervals over an 8 hour duration post-dosing with the first data collection at the 15-minute mark. Urine and feces were also collected for up to a 24-hour duration post-dosing, and essential organ tissue samples were also collected for examination after the study. All samples were subjected to analytical testing in order to quantify the levels of nicotine therein, as well as the levels of three major liver metabolites thereof, hydroxycotinine, nicotine N'-oxide and cotinine, in order to assess the relative metabolite levels absorbed by the different formulations. Lexaria's hypothesis was tested to prove that its DehydraTECH™ technology would influence more rapid and complete intestinal bioabsorption of nicotine lymphatically with less metabolic degradation by the liver. All animals were also assessed for general tolerability of the administered formulations. The study was conducted at the same independent laboratory in Philadelphia where the Company completed its initial cannabidiol absorption study in 2015.

Results & Observations:

The Lexaria formulations generally achieved faster absorption, higher peak absorption and higher overall quantities of nicotine, on average, in the blood than the concentration-matched control formulations at both the 1mg and 10 mg/Kg doses tested. Furthermore, as previously reported, there were no obvious signs of gastrointestinal distress such as vomiting or diarrhea indicating that the animals appeared to tolerate the treatment well.

Nicotine blood levels were evaluated multiple times over a period of 8 hours after dosing. In the 10mg/Kg dosing arm, the control formulation required nearly 3 hours to reach similar levels of blood absorption that the Lexaria formulation reached in only 15 minutes. Furthermore, the Lexaria formulation went on thereafter to demonstrate peak plasma levels that were 148% of those achieved by the control formulation. If replicated in human studies, these findings are suggestive that Lexaria's technology could prove more effective in elevating blood nicotine levels through edible formats much more quickly and substantially than previously theorized, potentially making ingestible nicotine preparations a viable alternative to today's available product formats while also leading to a more rapid nicotine craving satiation.

Analysis of the liver metabolites revealed, as expected, that overall levels in the blood of two of the three metabolites studied were higher in the control group than in the Lexaria formulation group at the 10 mg/Kg dose. This result was especially pronounced in the 45-minute to 2-hour time interval post-dosing which is consistent with the expected timing of release of metabolites in higher quantity into the bloodstream by the liver following normal physiological processing of ingested nicotine with the control preparation, compared to the DehydraTECH™ technology that is believed to elude first pass liver metabolism. The Lexaria formulation also demonstrated lower quantities of nicotine in the rat urine at both doses, which is consistent with the fact that the levels of nicotine in the rat blood remained higher over the duration of the study with the Lexaria formulation than with the control. The study also revealed that the Lexaria formulation at the 10 mg/Kg level achieved up to 5.6-times as much nicotine upon analysis of the rat brain tissue than was recovered with the matching control formulation. These findings together perhaps suggest prolongation of nicotine effectiveness with the Lexaria formulation which may also be beneficial in humans to control cravings over an extended time-period from a single edible nicotine dose.

In our follow-up third-party *in vivo* statistically significant study, including two groups of 20 animals, further defining delivery of nicotine in edible form at each of the 2, 4, 6, 8 and 10-minute intervals post-dosing, with 90.2% greater delivery than the concentration-matched control formulation by the 10-minute mark (95% CI; p=0.044), and significantly greater absorption levels than the control formulation at all subsequent time points in the study. Speed of onset is a key attribute for oral drug administration, and it is of particular importance for the consideration of non-inhalation nicotine delivery formats.

Key highlights of the follow-up study are as follows:

- Peak Level: 79% improvement in peak blood levels (maximum concentration or “Cmax”) at 394 ng/mL using Lexaria’s DehydraTECH™ technology vs. 220 ng/mL with the control (95% CI; p=0.0257);
- Total Quantity: 94% improvement in total quantity of nicotine delivered (area under the curve or “AUC”) to the blood during the 60-minute course of the study, at 266 hr•ng/mL versus 137 hr•ng/mL (95% CI; p=0.0086);
- Rapidity: Lexaria’s technology delivered nicotine into the blood stream by the first time interval of blood sampling at the 2-minute mark. On average, Lexaria’s technology delivered 203 ng/mL to the blood in aggregate of the 2, 4, 6, 8, 10, 12 and 15-minute time points, compared to only 120 ng/mL in aggregate over the same period by the control, an improvement of 70% (95% CI; p=0.0004).

In addition to the above described scientific testing and validation studies, Lexaria has also conducted various cannabinoid formulation experiments, together with potential DehydraTECH™ licensee partners, on chocolates, candies, gummies, mouth-melts, chocolate bars, protein bars, beverages such as beer, spices, tea, coffee, supplements and more over the past several years. Beverage formulations have produced cannabinoid water-based products including de-alcoholized beer that mask unwanted cannabis flavor and are fast acting. Chocolate formulations were reported as being the fastest acting, most consistent, and best-tasting products relative to comparator control formulations in approximately 70% of cases in a recent 2017 consumer study. As well, on March 22, 2016, Lexaria announced results from another chocolate formulation consumer study in which test subjects ranked those chocolates that had been created with Lexaria’s technology as the best tasting, most palatable and providing the best overall experience of the chocolates sampled. Furthermore, the test subjects in that study indicated a time of onset of the cannabis oil effects in as little as 15-20 minutes on average. The study included 12 volunteers who were all regular cannabis consumers with experience ingesting conventional edibles. All chocolates used in the study were blinded (unmarked) in order that the subjects could not discern the product formulations applied.

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Technology out-licensing

On May 14, 2016, the Company entered into a Licensing Agreement with Nuka Enterprises, LLC (“Nuka”) for a two-year period, to utilize the Company’s technology to create, test, manufacture, and sell marijuana-infused consumable and/or topical products, in the state of Colorado, with an option of extending the terms of the Licensing Agreement to Washington, Oregon, and California. On April 30, 2018, the Company announced a new 10-year renewal licensing agreement with Nuka, maker of 1906 brand cannabis chocolates and other edible products. The new agreement provides Nuka with semi-exclusive ability to utilize the DehydraTECH™ technology across the US. Nuka also acquired an option to expand its products and brand to Canada, including using Lexaria’s existing chocolate and confections contract manufacturer licensee Cannfections Group Inc. The agreement incorporates new rights in product categories in addition to the original chocolate formats, which include candies, beverages, capsules and pills, and topical creams. On May 21, 2019, we announced a major expansion in operations by Nuka over the next two years into Illinois, Ohio, Massachusetts, Michigan and other states. The comprehensive semi-exclusive agreement provides Nuka and 1906 with competitive technological advantages until 2028. A second license provides Nuka and 1906 with the immediate ability to utilize DehydraTECH technology for CBD across the US marketplace.

On January 25, 2018, the Company announced it entered a definitive technology licensing agreement with a 7-year term with Cannfections Group Inc. whereby Lexaria is providing its patented DehydraTECH™ technology to empower next-generation performance in cannabis infused chocolates and candies to be developed and sold in Canada and internationally.

On February 26, 2018 the Company announced it entered an agreement with NeutriSci International Inc. ("NeutriSci") (TSX-V: NU, OTCQB: NRXCF) such that NeutriSci now owns 100% of Ambarii Trade Corporation and Lexaria has granted to NeutriSci an Intellectual Property License and Supply Agreement for the manufacturing and sale of CBD based products. This agreement has been terminated effective March 15, 2019.

On February 27, 2018 the Company announced it entered a definitive technology licensing agreement with Los Angeles-based, privately-held Biolog, Inc. (“Biolog”) for a 5-year term whereby Lexaria provided its patented DehydraTECH™ technology to empower a unique set of next-generation food and beverage cannabis infusion products to be sold in the United States. On June 10, 2019 the Company terminated its license with Biolog Inc.

On April 25, 2018, the Company announced that it entered a definitive technology licensing agreement with GP Holdings LLC, (“GP”) whereby Lexaria provided its patented DehydraTECH™ technology for cannabis infused beverages and topical skin products in California. GP acquired a 5-year semi-exclusive right. Subsequent to year end, on September 28, 2018, the Company cancelled the contract due to ongoing delays and non-performance.

On July 31, 2018, the Company announced, and Hill Street Beverage Company Inc., (TSXV:BEER; “Hill Street”) jointly announced that they 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.

On January 15, 2019, the Company announced that its wholly-owned subsidiary Lexaria Nicotine LLC (“Lexaria Nicotine”) and Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc. (“Altria”), executed definitive agreements to pursue innovation in oral, reduced risk nicotine consumer products using Lexaria’s patented DehydraTECH™ technology. Altria was granted a license to use Lexaria Bioscience’s DehydraTECH technology for oral nicotine delivery forms on an exclusive basis in the United States and a non-exclusive basis elsewhere globally. Altria will pay Lexaria Nicotine a royalty on revenue generated from the sale of nicotine products containing DehydraTECH, until such time it may acquire 100% ownership in Lexaria Nicotine.

On April 24, 2019, the Company announced that it entered a definitive 5-year agreement, via its subsidiary Lexaria Canpharm ULC, to provide Lexaria’s patented DehydraTECH technology to a private California-based company for its utilization in certain CBD-based beverages to be produced and sold in

California and Nevada that may include any combination of ready-to-drink beverages such as non-alcoholic beers, wines and spirits; cold or hot coffee or teas, sports drinks and more.

On May 7, 2019, the Company announced that it entered a definitive 5-year agreement, via its subsidiary Lexaria Hemp Corp., to provide Lexaria's patented DehydraTECH technology to a private Nevada-based company for its utilization in certain CBD-based beverages to be produced and sold across the USA that may include any combination of ready-to-drink beverages such as non-alcoholic beers, wines and spirits; cold or hot coffee or teas, sports drinks and more.

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The continuation of our business interests in these sectors is dependent upon obtaining further financing, a successful programs of development, and, ultimately, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

We are not yet profitable and have not yet demonstrated our ability to generate significant revenues from our business plan. We will require additional corporate funds if our existing capital is not sufficient to support the Company until potential future profitability is reached. There are no assurances that we will be able to obtain further funds required for our long-term operations. We do not expect to require additional operating capital during our fiscal 2019 year, but do expect to require capital in order to establish our own, federally licensed Canadian laboratory on-premises for our internal R&D purposes. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially

reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other longer-term obligations as they become due. In such event, we could be forced to scale down or perhaps even cease our operations. There is uncertainty as to whether we can obtain additional long-term financing if we do in fact require it.

Our business plan anticipates that we will hire three to six employees and includes new office space that is under construction in order to facilitate a federally licensed Canadian laboratory on-premises for our internal R&D purposes. As at May 31, 2019 office spaces are primarily complete and in-use, the laboratory space is also primarily complete with final equipment design and acquisition in progress and we have hired three employees with a fourth scheduled to begin in the laboratory space during our fiscal fourth quarter. We expect to be able to utilize contracted third parties for most of our production and distribution needs, instead focusing our capital on higher value-added aspects of the business such as research and development, and scientific testing. We have no current plans to build our own production facility.

Our company relies on the business experience of our existing management, on the technical abilities of consulting experts, and on the technical and operational abilities of its operating partner companies to evaluate business opportunities.

Competition

The legal marijuana industry is comprised of several sub-sectors and is legal under different guidelines in many states though it remains illegal under most federal laws. Notwithstanding, the overall sector is generally recognized to be one of the fastest growing in the USA, with state-legal revenue of over $8 billion in 2016. Independent projections and publicized reports expect revenue of $20 billion or more in 2020, both as the sector gains in credibility and acceptance, and as more and more states legalize either medical use or adult recreational use; or both. In any fast growing industry, competition is expected to be both strong and also difficult to evaluate as to the most effective competitive threats. While we are an early adopter within the cannabinoid delivery sector, there are already reports of more than 300 public companies that have claimed to be involved in the sector in some fashion; and an unknown number of private companies. Our current strategies may prove to be ineffective as the sector grows and matures, and if so, we will have to adapt quickly to changing sectoral circumstances. Accordingly, the Company intends to aggressively pursue technology out-licensing opportunities not only within the cannabinoids sector where it is already active, but also across other sectors where its DehydraTECH^{TM} technology is patent allowed and/or pending, including the opportunities in the vitamin and supplements sector, the pain relief sector and the nicotine products sector.

Competition in alternative health sectors and in consumer products in the USA is fierce. We expect to encounter competitive threats from existing participants in the sector and new entrants. Although PoViva Corp. has filed patent applications to protect intellectual property, there is no assurance that patents beyond those already issued will be granted nor that other firms may not file superior patents pending. Food supplements, organic foods, and health food markets are all well established and our Company will face many challenges trying to enter these markets. Lexaria is also aware of various competing technologies that exist in the marketplace that claim to also enhance the bioabsorption of cannabinoids as Lexaria has demonstrated through repeated *in vitro* and *in vivo* scientific testing with its patented DehydraTECH^{TM} technology. By and large, these technologies are all forms of nanotechnology that generally claim to enable the formation of microencapsulated microemulsions of cannabinoid active ingredients. These technologies can enable exceptional water solubility of cannabinoid ingredients and can impart improved intestinal bioabsorption as a result.

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However, it is Lexaria's belief that its patented DehydraTECH™ technology offers a host of benefits beyond what competing technologies can offer, including superior oral palatability, a more appealing and all-natural ingredient compositional profile from a food and beverage formulation perspective and superior scalability and cost effectiveness from a manufacturing perspective. Lexaria believes that its DehydraTECH™ technology is, therefore, significantly distinguished from competing technologies in these respects, with a view to growing the breadth and number of licensees that will adopt its technology for their product offerings going forward. Lexaria believes that these competitive advantages together with its wealth of scientific data showing noteworthy bioabsorption enhancements with its DehydraTECH™ technology constitute a compelling value proposition for its prospective licensees, and it intends to continue to pursue license arrangements not only within the cannabinoids edibles sector where it is already active, but also in the various other bioactive ingredient sectors identified in its issued and pending patent applications.

Compliance with Government Regulation

Over 30 States in the USA have passed some form of legislation related to that state's permission to grow, cultivate, sell or use marijuana either for medical purposes or for recreational or "adult use" purposes; or both. The various state legislation is not necessarily harmonious with one another, leading to potential conflicts between state laws. It is most often not legal to transport cannabis-related products across state lines.

Lexaria does not "touch the plant" in any location within or outside of the USA. We comply with federal law that provides for certain exemptions for agricultural (industrial) hemp and certain byproducts to be manufactured and sold in the US. The DehydraTECH™ technology may have applications within the legal marijuana sector and we may seek to license that technology to companies that have met and comply with state regulations for the sale or distribution of cannabis related products in any particular jurisdiction.

Lexaria's position is that, just as a telephone company provides communications services, and an electric company provides electrical power, our provision of technological services to a state-legal cannabis company is in compliance with laws and required regulations.

Lexaria's patented DehydraTECH™ technology may also have application in completely separate sectors such as vitamins, non-steroidal anti-inflammatories, and nicotine. We have no products nor operations in any of these sectors today, although we have commenced formulation development for research and validation purposes in each of these areas. If we enter any of these sectors at any time, we will be exposed to and of necessity will have to comply with, all local, state and federal regulations in each of those sectors. As a result of the possibility of Lexaria being involved in a number of disparate business sectors, compliance with government regulations could require significant resources and expertise from our company.

The US Federal Government passed the 2018 Farm Bill (the "Bill"), in December of 2018, that may have significant positive impacts on industry segments that we operate and have products in and potentially change some of the regulatory compliance risks that may affect our business. The Bill includes lifting restrictions on advertising, marketing, banking and other financial services as well as allowing interstate commerce for hemp and hemp-derived cannabidiol (CBD), remove barriers for intellectual property protections under federal law such as patents and trademarks, as well as several other measures that may positively impact these industry segments overall. The impact the Bill may have on other regulatory bodies and their regulations will require ongoing monitoring to determine the outcome and timing of any revisions.

Significant Acquisitions and Dispositions

We have leased a new head-office location in Kelowna, Canada, that included the purchase and construction of office equipment, furniture, computers, and communications systems. We also constructed space for a federal licensed Canadian laboratory on-premises for our internal R&D purposes, for which a license application has been filed with Health Canada. Costs incurred to date are included in Capitalized Assets in the financial statements and notes.

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Contractors

We primarily use sub-contractors and consultants in the intellectual property development and licensing, and alternative health product sectors. We have added three employees during our second fiscal quarter and additional research personnel are anticipated during fiscal 2019 and upon license approval from Health Canada for the research lab. We primarily engage with consultants to serve our executive needs.

The Company had an agreement with CAB for a consulting fee of $144,000 per year and has negotiated a 3-year term renewal management contract with

Chief Executive Officer Chris Bunka retroactively effective January 1, 2019. The annual compensation payable is CDN$350,000 per year and the following performance incentives.

Performance Incentives

- A performance bonus equal to 50% of the annual compensation may be payable upon the completion of certain performance criteria as determined by the board of directors of Lexaria. Compensation equal to 2% of the consideration received by the Company from the sale of a subsidiary, excluding certain circumstances. Certain compensation to be paid upon a change of control excluding certain circumstances and participation in the Company's approved stock option plans.

The Company appointed Mr. John Docherty as President of Lexaria effective April 15, 2015. The Company had an agreement with Docherty Management Limited, solely owned by Mr. John Docherty with compensation of CAD$180,000 plus applicable taxes per year and has negotiated a 3-year term renewal management contract CAD$300,000 per year and the following performance incentives.

- Performance Incentives as defined above.

On July 1, 2018 the Company executed an updated three-year consulting contract with M&E Services Ltd. (M&E), a company wholly owned by Mr. Allan Spissinger, with monthly compensation of CAD$12,000 including an 8% annual increase superseding the previous CAD$8,000 per month contract that included 200,000 incentive stock options exercisable at $0.37. The Company may pay Mr. Spissinger a bonus from time to time, at its sole discretion. Mr. Spissinger will be entitled to receive additional common stock-based and stock option based bonuses upon achieving certain milestones during the time of his consultancy with the Company. These milestones are:

Revenue Incentive Milestones (Revenue Incentives "A")

- 100,000 common shares issuable upon the Company achieving non-refundable revenues of $200,000 to any single customer in any consecutive 60-day period for the first 12 months of the contract, plus a further 50,000 common shares issuable upon achieving non-refundable revenues of $200,000 to any single customer in any consecutive 60-day period, during the 13th - 24th months of the contract. If the Company achieves non-refundable revenues of $500,000 in any fiscal quarter, a further 200,000 common shares may be issuable during the first 12 months of the contract and 100,000 common shares during the 13th - 24th months of the contract.

On June 19, 2017, the Company executed a contract with Alex Blanchard Capital as manager for investor relations and communications. The agreement is for six months continuing month to month for CAD$7,500 per month and may be terminated thereafter with one month's notice. Mr. Blanchard was granted 200,000 warrants exercisable at $0.29 and 300,000 stock options exercisable at $0.295 vesting 100,000 options at 1st – 3rd anniversaries of the contract provided that the contract is not terminated. Mr. Blanchard will be entitled to receive additional common stock-based and stock option based bonuses upon achieving certain milestones during the time of his consultancy with the Company. These milestones are during the first 12 months after the date of the agreement with Alex Blanchard Capital:

- Revenue Incentives “A” as defined above.

We are planning an increase in the number of personnel over the next 12 month period to enhance capacity and, subject to regulatory approval of the lab facility, for R&D purposes. We do and will continue to outsource contract employment as needed. Additional capacity may be required with product advancement or retail acceptance of our new products, we may need to retain additional personnel particularly in the fields of product manufacturing, development, sales and distribution. It is not possible to accurately project potential needs into the future based on circumstances that may or may not occur.

Research and Development

Lexaria incurred $394,091 (2018 $279,221) in research and development expenditures during the period ending May 31, 2019. Specific R&D programs are in ongoing development and will be tightly related to our financial ability to undertake each research phase for each molecule. Due to our expanding portfolio coverage, we are continuing to examine accelerated timetable options for testing, research and development.

The Company’s plans to include *in vitro* absorption tests of our patented technology of molecules such as: Vitamin E, Ibuprofen, and Nicotine allowed us to perform testing on Nicotine with positive results. Our plan to conduct our first ever *in vivo* absorption tests on CBD also yielded positive results. Ongoing testing plans are proceeding to further define molecular compatibility, absorption rates, timing and viable formats of delivery.

The Company continually focuses on new R&D programs to investigate potential additional commercial applications for its technology. These include, but are not limited to, ongoing programs to explore methods to integrate nanoemulsification chemistry techniques together with its technology, as well as ongoing programs to further enhance intestinal bioabsorption rates with its technology, as well as ongoing programs to expand the types and breadth of product form factors into which its technology can be applied. Depending on how many of these tests are undertaken, R&D budgets are expected to vary significantly, to do so. It is in our best interests to remain flexible at this early stage of our R&D efforts in order to capitalize on potential novel findings from early-stage tests and thus re-direct research into specific avenues that offer the most reward.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Critical Accounting Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles used in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials.

Capital Assets

Capital assets are stated at cost less accumulated depreciation and depreciated using the straight-line method over their useful lives or by units of production.

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Patents

Capitalized patent costs represent legal costs incurred to establish patents. When patents reach a mature stage, any associated legal costs are comprised mostly of maintenance fees and are expensed as incurred. Capitalized patent costs are amortized on a straight-line basis over the remaining life of the patent.

Revenue Recognition

Product revenue

Revenue from the sale of alternative health products is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured, which typically occurs upon shipment. The Company reports its sales net of the amount of actual sales returns. Sales tax collected from customers is excluded from net sales.

Licensing revenue from Intellectual Property

We recognize revenue for License fees at a point in time following the transfer of our intellectual property, our patented lipid nutrient infusion technology DehydraTECH™ for infusing Active Pharmaceutical Ingredients, to the licensee, which typically occurs on delivery of documentation.

Usage Fees from Intellectual Property

We recognize revenue for Usage fees when usage of our DehydraTECH™ intellectual property occurs by licensees infusing and Active Pharmaceutical Ingredient into one or more of their product lines for sale.

Going Concern

We have suffered recurring losses from operations. The continuation of our Company as a going concern is dependent upon our Company attaining and maintaining profitable operations and/or raising additional capital. The financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our Company discontinue operations. The recurring losses from operations and net capital deficiency raise substantial doubt about the Company's ability to continue as a going concern.

Recent Accounting Guidance

In January 2016, FASB issued an ASU, Subtopic 82510, to amend certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Most prominent among the amendments is the requirement for changes in fair value of equity investments, with certain exceptions, to be recognized through profit or loss rather than other comprehensive income. The Company adopted the standard September 1, 2018. The impact was not material and the $14,247 impact on the Company's financial statements was included in income in the current period.

In February 2016 FASB issued ASU No. 201602, Leases (Topic 842) which supersedes FASB ASC Topic 840, Leases (Topic 840) and provides principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and the lessors. The new standard requires the lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. When adopted, the Company does not expect this guidance to have a material impact on its consolidated financial statements.

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In June 2016, the FASB issued a new standard to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss credit loss estimates. For trade and other receivables, loans and other financial instruments, the Company will be required to use a forward looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. Credit losses relating to available for sale debt securities will also be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The new standard will be effective for Lexaria beginning September 1, 2020, with early adoption permitted. Application of the amendments is through a cumulative effect adjustment to deficit as of the effective date. The Company is currently assessing the impact of the standard on its consolidated financial statements.

In February 2018, the FASB issued ASU No. 201802, Income Statement–Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act enacted by the U.S. federal government on December 22, 2017 (the "2017 Tax Act"). Consequently, the amendments eliminate the stranded tax effects resulting from the 2017 Tax Act and will improve the usefulness of information reported to financial statement users. The amendments in this ASU are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance. The Company is currently evaluating the effect this ASU will have on its consolidated financial statements and related disclosures, but does not expect it to have a material impact on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 201807, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share Based Payment Accounting. This is a simplification that involves several aspects of accounting for nonemployee share based payments resulting from expanding the scope of Topic 718 to include share based payment transactions for acquiring goods and services from nonemployees. The new standard will be effective for Lexaria for September 1, 2019. The company does not expect it to have a material impact on its consolidated financial statements.

Results of Operations – Nine Months Ended May 31, 2019 and 2018

The following summary of our results of operations should be read in conjunction with our unaudited financial statements for the period ended May 31, 2019, which are included herein.

Our operating results for the nine-months ended May 31, 2019 and 2018 and the changes between those periods for the respective items are summarized as follows:

	Nine Months Ended May 31 2019 $	Nine Months Ended May 31 2018 $	Change Between the Periods $
Sales	97,489	336,933	(239,444)
Cost of Goods Sold	7,944	22,239	(14,295)
General and Administrative	3,131,983	5,684,088	(2,552,105)
Impairment of Inventory	-	12,609	(12,609)
Net loss	**(3,042,438)**	**(5,382,003)**	**2,339,565**

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Our financial statements report a net loss of $3,042,438 for the nine-month period ended May 31, 2019 compared to 2018 where we incurred a net loss of $5,382,003. During the nine-month period ended May 31, 2019, our general and administrative expenses were lower compared to the nine-months ended May 31, 2018, which is a result of the decreases in consulting expenses due to lower contractual share based and share based compensation expenses but include increases in legal expenditures relating to contract negotiations and patent filings, new employees and R&D.

Revenue was primarily based on Licensing usage fees in line with contract requirements, while consumer product sales remain low due to challenges in securing expansive distribution opportunities, production challenges and payment processing changes. The Company continues to pursue more widespread distribution possibilities which have the potential to unlock more significant consumer revenues.

Results of Operations – Three Months Ended May 31, 2019 and 2018

The following summary of our results of operations should be read in conjunction with our unaudited financial statements for the period ended May 31, 2019, which are included herein.

Our operating results for the three months ended May 31, 2019 and 2018 and the changes between those periods for the respective items are summarized as follows:

	Three Months Ended May 31 2019 $	Three Months Ended May 31 2018 $	Change Between the Periods $
Sales	59,931	140,340	(80,409)
Cost of Goods Sold	3,096	2,427	669
General and Administrative	1,244,771	3,559,200	(2,314,429)
Impairment of Inventory	-	3,625	(3,625)
Net loss	**(1,187,936)**	**(3,424,912)**	**2,236,976**

Our financial statements report a net loss of $1,187,936 for the three-month period ended May 31, 2019 compared to 2018 where we incurred a net loss of $3,424,912. During the three-month period ended May 31, 2019, our general and administrative expenses were lower compared to the three-months ended May 31, 2018, which is a result of the decreases in consulting expenses due to lower contractual share based and share based compensation expenses but include increases in legal expenditures relating to contract negotiations and patent filings, new employees and R&D.

Revenue was primarily based on Licensing usage fees in line with contract requirements, while consumer product sales remain low due to challenges in securing expansive distribution opportunities, production challenges and payment processing changes. The Company continues to pursue more widespread distribution possibilities which have the potential to unlock more significant consumer revenues.

The trend of hemp oil fortified foods, and hemp seed products, gaining consumer acceptance continued and provides a reason to believe that sales could increase. Those trends should support higher potential consumer product sales. In addition, legislative trends in America and in many nations around the world such as Canada and the UK are supportive of additional opportunities in the hemp-based foods and supplements sector. Those trends could support higher potential consumer product sales. Release of the TurboCBD™ product was successful but sales were limited by changes to payment processing services outside of the Company's control. The initial release of ChrgD+ was well received and we are in progress of final development and release of the online ordering portal for both retail and channel distribution, which we expect to be operational during the fourth quarter of fiscal 2019.

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For 2019 the Company expects to continue to derive the majority of its revenues from technology licensing to third parties noting that IP Territory fees are recognized when new definitive license agreements occur and IP Usage fees are dependent upon licensees opportunity to implements the technology based upon regulatory approval. Canadian regulatory approval for ingestible products is anticipated October 17, 2019, when entities are anticipated to be able to apply for permits to distribute and sell their products. At August 31, 2015 the Company had zero technology licensing agreements entered. By August 31, 2016 we had entered several LOI's or definitive agreements related to technology out-licensing. During the period ended August 31, 2018 we entered into six new licensing agreements (although some were subsequently cancelled due to non performance) that increased our IP licensing revenue and we expect additional revenue will be generated from the licensees utilizing the technology in their processes from the usage fees as their production and sales occur. It is the Company's view that the December 9, 2017, grant of patent US 9,839,612 B2, the grants of US 9,972,680 B2 and US 9,974,739 B2 during May 2018, the September 25, 2018 grant of US 10,084,044 B2, the October 16, 2018 grant of US 10,103,225 B2 and its expanding patent portfolio are positive steps in enabling the generation of more significant revenues. At the time of this report the Company has entered more than 10 formal letters of intent or definitive agreements and is negotiating more.

We do not expect that all of the Letters of Intent into which we enter will result in definitive agreements with paying customers and cannot predict how many will. We believe that strengthening and expanding our intellectual property portfolio and conducting supportive R&D will jointly contribute to strengthening revenue prospects.

Liquidity and Financial Condition

Working Capital	**May 31 2019 $**	**August 31 2018 $**
Current assets	2,607,599	2,284,051
Current liabilities	132,293	43,640
Working capital balance (deficiency)	2,475,306	2,240,411

The Company's working capital balance increased during the nine months ended May 31, 2019, as a result of the completion of a private placement in October, 2018 for $1,470,310 net of fees and $1,803,373 from the exercise of options and warrants, and the agreement with Altria.

	Nine Months Ended	
Cash flows	**May 31 2019 $**	**May 31 2018 $**
Cash flows used in operating activities	(2,268,946)	(1,121,192)
Cash flows used in investing activities	(736,079)	(102,042)
Cash flows provided by financing activities	3,273,683	1,007,591
Increase (decrease) in cash	268,658	(215,643)

Operating Activities

The increase in the net cash used in operating activities during the nine months ended May 31 2019, is primarily as a result of increases in legal expenses, hiring employees and reduction in revenues. Operating activities remained relatively consistent between the comparison periods with increases in

advertising and promotions, investor relations, increases to ongoing legal fees for patent and trademark filings, legal fees for contract negotiations, R&D programs and employee additions.

Investing Activities

During the nine months ended May 31, 2019, the Company continued its investment in expanding its patent and trademark filings, lease-hold improvements for the new head office location with in-house Health Canada compliant research lab, and equipment purchases.

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Financing Activities

During the period ended May 31, 2019, the Company raised a total of $2,318,812 from equity issuances, relating to the private placement closed in October 2018 and the ongoing exercises of its outstanding stock options and warrants. In addition, $1,000,000 was raised relating to the research agreement and acquisition of 16.67% of Lexaria Nicotine by Altria.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable. The Company qualifies as a “Smaller Reporting Company” and, accordingly, this Item 3 and the related disclosure is not required.

Item 4. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (also our principal executive officer) and our chief operating and financial officer (also our principal financial and accounting officer) to allow for timely decisions regarding required disclosure.

As of May 31, 2019, the end of our quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president, our chief executive and chief financial officer (also our principal executive and accounting officers), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president, chief executive and financial officer (also our principal executive and accounting officers) concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of May 31 2019.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Our management assessed the effectiveness of our internal control over financial reporting as of May 31 2019. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework*. Our management has concluded that, as of May 31, 2019, our internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US generally accepted accounting principles. Our management reviewed the results of their assessment with our Board of Directors.

Inherent limitations on effectiveness of controls

Internal control over financial reporting has inherent limitations which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the period ended May 31 2019, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

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PART 2 - OTHER INFORMATION

Item 1. Legal Proceedings

We know of no other material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any other material proceeding or pending litigation. There are no other proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

Much of the information included in this quarterly report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.
The risks associated with our business, common stock and other factors were the same as those described in the consolidated financial statements for the year ended August 31, 2018.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at www.sedar.com.

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Item 6. Exhibits

Exhibit Number Description

1	**Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession**
1.1	Plan of Conversion (included as Schedule "A" to the proxy statement/prospectus)
2	**Articles of Incorporation and Bylaws***
2.1	Articles of Incorporation*
2.2	Bylaws
3	**Instruments Defining the Rights of Security Holders, including Indentures**
4.1	2007 Equity Incentive Plan
4.2	2010 Equity Compensation Plan
4.3	2014 Stock Option Plan
4.4	Equity Incentive Plan
4.5	Specimen ordinary share certificate
4	**Opinion regarding Legality**
5.1	Opinion of Macdonald Tuskey regarding the legality of the securities being registered
8	**Opinions regarding Tax Matters**
8.1	Opinion of Dale Matheson Carr-Hilton Labonte LLP regarding U.S. tax matters
8.2	Opinion of Dale Matheson Carr-Hilton Labonte LLP regarding Canadian tax matters
10.	**Material Contracts**
10.1	Management Services Agreement dated January 1, 2019 with John Docherty KMSC
10.2	Management Services Agreement dated January 1, 2019 with Chris Bunka Bioscience
10.3	Management Services Agreement dated January 1, 2019 with John Docherty Nicotine
10.4	Management Services Agreement dated January 1, 2019 with Chris Bunka Nicotine
10.5	License Amendment Agreement Nuka with CanPharm dated May 15, 2019
10.6	License Agreement Nuka with Lexaria Hemp Corp dated May 15, 2019
21.	**Subsidiaries**
21.1	Lexaria Canpharm ULC, a British Columbia Canada company
21.2	Poviva Corp, a Nevada corporation
21.3	Lexaria Hemp Corp., a Delaware corporation
21.4	Learia Nicotine LLC, a Delaware corporation
21.5	Lexaria Pharmaceutical Corp., a Delaware corporation
21.6	Lexaria Canpharm Holding Corp., a Nevada corporation
21.7	Kelowna Management Services Corp., a British Columbia Canada company
23.	**Consents of Experts and Counsel**
23.1	Consent of Macdonald Tuskey (Included in Exhibit 5.1)
23.2	Consent of Dale Matheson Carr-Hilton Labonte LLP (Included in Exhibit 8.1)
23.3	Consent of Dale Matheson Carr-Hilton Labonte LLP (Included in Exhibit 8.2)
23.4	Consent of Davidson & Company LLP, Chartered Professional Accountants
23.5	Consent of MNP LLP, Chartered Accountants
31.	**Rule 13(a) - 14 (a)/15(d) - 14(a)**
31.1*	Section 302 Certifications under Sarbanes-Oxley Act of 2002 of Principal Executive Officer
31.2*	Section 302 Certifications under Sarbanes-Oxley Act of 2002 of Principal Financial Officer and Principal Accounting Officer
32.	**Section 1350 Certifications**
32.1	Section 906 Certification under Sarbanes Oxley Act of 2002 of Principal Executive Officer
32.2	Section 906 Certification under Sarbanes Oxley Act of 2002 of Principal Financial Officer and Principal Accounting Officer
101**	**Interactive Data Files**
101.INS	**XBRL Instance Document**
101.SCH	**XBRL Taxonomy Extension Schema Document**
101.CAL	**XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	**XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	**XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	**XBRL Taxonomy Extension Presentation Linkbase Document**

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

*** Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the*

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LEXARIA BIOSCIENCE CORP.

By: */s/ " John Docherty "*
John Docherty,
President and Director
(Principal Executive Officer)
July 8, 2019

By: */s/ " Chris Bunka "*
Chris Bunka,
Chief Executive Officer, Chairman and Director
(Principal Executive Officer)
July 8, 2019

By: */s/ " Allan Spissinger "*
Allan Spissinger CPA, CA
Chief Financial Officer
(Principle Financial Officer)
July 8, 2019

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Chris Bunka, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lexaria Bioscience 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 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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: July 8, 2019

/s/ " Chris Bunka "
Chris Bunka
CEO and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Spissinger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lexaria Bioscience 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 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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: July 8, 2019

/s/ "Allan Spissinger"
Allan Spissinger CPA, CA
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Chris Bunka, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Lexaria Bioscience Corp. for the quarter ended May 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Lexaria Bioscience Corp.

Dated: July 8, 2019

/s/ " Chris Bunka "
Chris Bunka
CEO and Director
(Principal Executive Officer)
Lexaria Bioscience Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Lexaria Bioscience Corp. and will be retained by Lexaria Bioscience Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Spissinger, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Lexaria Bioscience Corp. for the quarter ended May 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Lexaria Bioscience Corp.

Dated: July 8, 2019

/s/ " Allan Spissinger "
Allan Spissinger CPA, CA
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)
Lexaria Bioscience Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Lexaria Bioscience Corp. and will be retained by Lexaria Bioscience Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EMPLOYMENT AGREEMENT

THIS AGREEMENT made the 1st day of January, 2019.

BETWEEN:

Kelowna Management Services Corp.
100 – 740 McCurdy Road
Kelowna, BC
V1X 2P7

(the "Employer" or the "Company")

AND:

John Docherty
[**][1]

(the "Employee")

WHEREAS:

A. The Employer is in the business of providing management services to its affiliates (the "Affiliates") as that term is defined in National Instrument 45-106 – Prospectus Exemptions;

B. The Affiliates are in the business of research and development of patented technology;

C. The Employer and the Employee have verbally agreed to enter into an employment relationship for their mutual benefit, which agreement and relationship has been effected as at January 1, 2019;

D. As incentive for the Employee entering into this formal employment agreement, the Employer has agreed to provide the Employee with an additional two weeks of vacation per year for an aggregate six weeks of vacation annually throughout the term of this Agreement.

THIS AGREEMENT WITNESSES that the parties have agreed that the terms and conditions of the relationship shall be as follows:

1. Employment

1.1 The Employee will be employed by the Employer as the President of the Company commencing on January 1, 2019 ("Commencement Date") for a fixed term of three (3) years with all terms in effect until the agreement automatically terminates at the expiry of three (3) years from the Commencement Date, unless either of the parties terminates the agreement prior to the expiry of three (3) years from the Commencement Date in accordance with this agreement (the "Expiration Date"). The parties agree to have this agreement apply retroactive to January 1, 2019, even though the agreement is signed after January 1, 2019, for the mutual benefit of both parties.

[1] Certain information has been redacted: the omitted text sets forth the private residence of the employee

1.2 The Employee agrees to be bound by the terms and conditions of this agreement. In carrying out the Employee's duties, the Employee will comply with all reasonable instructions as may be given by the Employer.

1.3 The Employee acknowledges and agrees that the Employer's policies and procedures form part of this agreement. The Employee agrees to comply with the terms of such policies and procedures so long as they are not inconsistent with any provisions of this agreement. If the terms of any policies and/or procedures conflict with the terms of this agreement, the terms of this agreement shall prevail.

1.4 The Employee acknowledges and agrees that effective performance of the Employee's duties requires the highest level of integrity and the Employer's complete confidence in the Employee's relationship with other employees of the Employer and its Affiliates and with all other persons with whom the Employee deals in the course of employment.

1.5 The Employee will report directly to the board of directors of the Company in fulfilling the duties and responsibilities as set out in Schedule "A" to this agreement (the "Services").

1.6 The Employee acknowledges and agrees that the Employee may be required to provide the Services to one or more of the Affiliates.

1.7 The Employee and Employer agree that the Services may be materially changed by the Employer upon providing the Employee with 9 months' notice (the "Change of Services Notice"). The Employee agrees that if the Employer materially changes the Services pursuant to a Change of Services Notice, the employment relationship will not be terminated.

1.8 The Employee agrees to devote the majority of his working time exclusively to the business of the Employer and that, in the capacity of President, such working time will not be restricted to a 9 am to 5 pm Monday through Friday work schedule and the Employee will not receive any additional remuneration other than the remuneration set out in this agreement for all suck working time. The Employee also acknowledges that in the performance of the Services he will be expected to travel and represent the Company and its Affiliates which may include participation at trade shows, informational panels, presentations, media events and the like.

1.9 The Employee acknowledges and agrees that all services previously provided (a) to any of the Employee's former employers, and/or (b) as a contractor or otherwise to the Employer, will not be recognized by the Employer for any purpose, except to the minimum extent (if any) required by applicable employment standards legislation.

2. Remuneration and Benefits

2.1 In consideration of the Employee's performance of the obligations contained in this agreement, the Employer shall provide the Employee with the remuneration noted in the attached Schedule “B”.

3. Confidential Information

3.1 The Employee acknowledges that the Employee will acquire information (the "Confidential Information") about certain matters which are confidential to and exclusive property of the Employer or the Affiliates, including, but not limited to, trademarks, patents, trade dress, know how or trade secrets including lists of present and prospective customers, pricing and sales policies and concepts, business plans, forecasts and market strategies, discoveries, designs, methods or techniques, inventions, research and development, formulas and technology.

3.2 The Employee acknowledges that the Confidential Information could be used to the detriment of the Employer or the Affiliates and that its disclosure to third parties could cause irreparable harm. Accordingly, the Employee undertakes to treat the Confidential Information confidentially and not to disclose it to any third party or use it for any purpose either during the employment, except as may be necessary in the proper discharge of the Employee’s duties, or after termination of the employment for any reason, except with the written permission of the Employer.

3.3 The Employee acknowledges that the Employer owns all Confidential Information that may be developed in whole or in part by the Employee during the course of the employment with the Employer and the Employee agrees to waive all moral and legal rights to any such Confidential Information.

3.4 All files, notes, documents, data, tapes, reference items, sketches, drawings, memoranda, records, diskettes, discs and other materials in any way relating to any of the Confidential Information or to the Employer's business produced by the Employee or coming into possession by or through the employment, shall belong exclusively to the Employer and the Employee agrees to turn over to the Employer all of such materials in the Employee's possession or under the Employee’s control, forthwith, at the request of the Employer or, in the absence of a request, on the termination of employment with the Employer.

4. Discipline and Termination

4.1 The Employee may terminate the Employee’s employment by providing eight (8) weeks’ advance notice in writing to the Employer. The Employer may waive such notice, in whole or in part and if it does so, the Employee’s entitlement to remuneration and benefits pursuant to this agreement will continue to the expiration of the eight (8) weeks’ notice period and any such waiver shall not constitute termination of the Employee’s employment.

4.2 The Employer may terminate the Employee's employment without notice or payment in lieu thereof for just cause, subject to any minimum statutory entitlements required to be provided to the Employee under the Ontario *Employment Standards Act, 2000*, as amended from time to time (the "ESA") (if any). For the purposes of this agreement, the parties agree that "cause" shall include, but is not limited to:

(a) any material breach of the provisions of this agreement by the Employee;

(b) consistent poor performance on the Employee's part, after being advised as to the standard required;

(c) the Employee's violation of any local, provincial or federal statute, including, without limitation, an act of dishonesty such as embezzlement or theft; and

(d) conduct on the Employee's part that is materially detrimental to the business or the financial position of the Employer.

4.3 In response to instances of misconduct or other unacceptable performance by the Employee, the Employer may in its discretion impose disciplinary measures as may be deemed by the Employer to be appropriate when taking into account the nature of the misconduct or performance, the Employee's employment record, and the material surrounding circumstances. These disciplinary measures include, but are not limited to: verbal warning; written warning; loss of employment privileges and perquisites; unpaid suspension; removal from position or from certain duties associated with the position; dismissal. The Employer and the Employee agree that the Employer's imposition of any of these measures, with the exception of dismissal, shall not affect the other terms and conditions of this Agreement and, in particular, shall not be deemed or interpreted as constituting a constructive dismissal of the Employee by the Employer. The Employee agrees that this clause shall not mean that the Employer must proceed through any disciplinary measures before any termination of the Employee by the Employer without cause or with cause, and the Employer expressly reserves the right to terminate without cause without proceeding through any disciplinary measures.

4.4 The Employer may terminate the Employee's employment at any time without cause, upon providing the Employee with only the greater of:

(a) the Employee's statutory entitlements to accrued wages, vacation pay and minimum statutory benefits continuation as required by the ESA, plus [**][2] of notice or pay in lieu of notice (or a combination thereof), and although such notice or pay in lieu of notice is inclusive of any severance pay under the ESA (if applicable), such severance pay will be provided to the Employee in a lump sum and the Employer will not provide such severance pay to the Employee in the form of working notice; OR

(b) the minimum statutory notice of termination or statutory pay in lieu thereof, statutory severance pay (if applicable) and statutory benefits continuation (if applicable) as required by the ESA, as well as any other minimum entitlements required by the ESA including accrued wages and vacation pay.

[2] Certain information has been redacted: the omitted text sets forth the severance payable for termination without cause.

Except for any entitlements that the Employee may have under the ESA, these entitlements shall be subject to a duty to mitigate. Where the Employer provides the Employee with pay in lieu of notice pursuant to clause 4.4(a) or statutory pay in lieu of notice or statutory severance pay pursuant to clause 4.4(b), such payment shall be calculated solely by reference to the Employee's annual base salary as defined in Schedule "B", except and only to the extent as otherwise minimally required by the ESA. For clarity, if the ESA requires the Employee's benefits to be continued during any statutory notice period, the Employee's benefits will only be continued for the minimum statutory notice period required by the ESA.

The Employee understands and agrees that the entitlements set out in clause 4.4 will constitute the Employee's full and final entitlements, in the event of a without cause termination, to notice or pay in lieu of notice, benefits continuation, and severance pay (if applicable), including in the event of a constructive dismissal of the Employee's employment and including any entitlements to common law notice. If a greater entitlement is provided under the ESA, that greater entitlement shall prevail and the Employee's entitlements shall be increased only to the extent necessary to satisfy such greater entitlement. In no event will the Employee be provided with less than the Employee's minimum entitlements under the ESA.

The Employee understands and agrees that clause 4.4 shall remain in force throughout the Employee's employment, regardless of the Employee's length of service or other changes to the Employee's position that may occur over time, including without limitation after any promotion or salary increase, unless amended by mutual written agreement.

5. Change of Control

5.1 Notwithstanding any compensation payable pursuant to clauses 4.1 and 4.4 of this agreement, should a change of control ("**Change of Control**") occur in the Company during the Term of this Agreement or within 6 months after the earlier of the following: i) the Expiration Date; ii) the date on which the Employee terminates the agreement under section 4.1; or iii) the date of termination of the agreement under section 4.4, then the Employee shall be entitled to the greater of:

(a) the Employee's statutory entitlements to accrued wages, vacation pay and minimum statutory benefits continuation as required by the ESA, plus [**][3] months of pay in lieu of notice in a lump sum and such pay in lieu of notice is inclusive of any severance pay under the ESA (if applicable); OR

(b) the minimum statutory notice of termination or statutory pay in lieu thereof, statutory severance pay (if applicable) and statutory benefits continuation (if applicable) as required by the ESA, as well as any other minimum entitlements required by the ESA including accrued wages and vacation pay; and

any stock options or warrants to purchase common stock, as referred to in all existing and future agreements between the Company and the Employee, granted to the Employee (including any award that resulted from a substituted or replacement of equity awards upon Change of Control) shall become immediately vested and exercisable.

[3] Certain information has been redacted: the omitted text sets forth the amount of severance payable upon a change of control.

5.2 For the purposes of clause 5.1, a Change of Control includes any of the following events:

(a) If any individual, partnership, company, society, or other legal entity (a "**Person**"), alone or together with any other Persons with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, such securities (or securities convertible into, or exchangeable for, securities) entitled to more than fifty percent (50%) or more of the votes exercisable by holders of the then-outstanding securities generally entitled to vote for the election of directors ("**Voting Stock**") of the Company or if any Persons that previously were not acting jointly or in concert commence acting jointly or in concert and together beneficially own, or have the power to exercise control or direction over, securities entitled to more than fifty percent (50%) or more of the votes exercisable by holders of voting stock, or have rights of conversion which, if exercised, would permit such Persons to own or control such a percentage of votes;

(b) The Company is merged, amalgamated or consolidated into or with another Person and, as a result of such business combination, a Person who previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, either alone or together with any other persons with whom it is acting jointly or in concert, is now, either alone or together with any other persons with whom it is acting jointly or in concert, entitled to hold more than fifty percent (50%) of the votes, exercisable by holders of the Voting Stock of the Company or of such Person into which the Voting Stock of the Company has been converted;

(c) The capital of the Company is reorganized and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, now as a result of such reorganization, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company;

(d) The Company sells or otherwise transfers all or substantially all of its assets to another Person and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, now as a result of such sale or transfer, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company; or

(e) During any period of two consecutive years, individuals ("**Incumbent Directors**") who at the beginning of any such period constitute the directors of the Company or constitute the directors of the sole shareholder of the Company (the "Shareholder"), cease for any reason to constitute at least a majority thereof. For the purposes of this clause:

(i) Each director who, during any such period, is elected or appointed as a director of the Company or the Shareholder, as applicable, with the approval of at least a majority of the voting shareholders of the Company or the Shareholder, as applicable, will be deemed to be an Incumbent Director;

(ii) An "Incumbent Director" does not include a director, elected or appointed pursuant to an agreement (in respect of such election or appointment) with another Person that deals with the Company or Shareholder, as applicable, at arm's length, or as part of or related to an amalgamation, a merger or a consolidation of the Company or Shareholder, as applicable, into or with another person, a reorganization of the capital of the Company or Shareholder, as applicable, or the acquisition of the Company or Shareholder, as applicable, as a result of which securities entitled to less than fifty (50%) percent of the votes exercisable by holders of the then-outstanding securities entitled to Voting Stock of the Company or Shareholder, as applicable, is converted on or immediately after such transaction are held in the aggregate by Persons who were holders of Voting Stock of the Company or Shareholder, as applicable, immediately prior to such transaction; and

(iii) References to the Company shall include successors to the Company as a result of any amalgamation, merger, consolidation or reorganization of the Company into or with another body corporate or other legal Person.

6. Affiliate Sale

6.1 Notwithstanding any compensation provided under the termination provisions of this Agreement, should there be a sale of any of the Affiliates (each such sale being an "**Affiliate Sale**") either during the Term of this Agreement or within 6 months after the earlier of the following: i) the Expiration Date; ii) the date on which the Employee terminates the agreement under section 4.1; or iii) the date of termination of the agreement under section 4.4, then the Company shall be obligated to pay the Employee a one-time lump sum payment in the amount equal to 2% of the total value of such Affiliate Sale (the "**Affiliate Sale Entitlement**"). The Affiliate Sale Entitlement shall be paid to the Employee within 90 days of completion of the Affiliate Sale.

6.2 For the purposes of clause 6.1, an Affiliate Sale means any of the following events:

(a) If any individual, partnership, company, society, or other legal entity (a "**Person**"), alone or together with any other Persons with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, such securities (or securities convertible into, or exchangeable for, securities) entitled to more than fifty percent (50%) or more of the votes exercisable by holders of the then-outstanding securities generally entitled to vote for the election of directors ("**Voting Stock**") of an Affiliate or if any Persons that previously were not acting jointly or in concert commence acting jointly or in concert and together beneficially own, or have the power to exercise control or direction over, securities entitled to more than fifty percent (50%) or more of the votes exercisable by holders of voting stock, or have rights of conversion which, if exercised, would permit such Persons to own or control such a percentage of votes;

(b) An Affiliate is merged, amalgamated or consolidated into or with another Person and, as a result of such business combination, a Person who previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Affiliate, either alone or together with any other persons with whom it is acting jointly or in concert, is now, either alone or together with any other persons with whom it is acting jointly or in concert, entitled to hold more than fifty percent (50%) of the votes, exercisable by holders of the Voting Stock of the Affiliate or of such Person into which the Voting Stock of the Affiliate has been converted;

(c) The capital of an Affiliate is reorganized and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Affiliate, now as a result of such reorganization, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Affiliate;

(d) An Affiliate sells or otherwise transfers all or substantially all of its assets to another Person and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Affiliate, now as a result of such sale or transfer, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Affiliate; or

(e) During any period of two consecutive years, individuals ("**Incumbent Directors**") who at the beginning of any such period constitute the directors of an Affiliate cease for any reason to constitute at least a majority thereof. For the purposes of this clause:

(i) Each director who, during any such period, is elected or appointed as a director of an Affiliate with the approval of at least a majority of the Incumbent Directors will be deemed to be an Incumbent Director;

(ii) An "Incumbent Director" does not include a director, elected or appointed pursuant to an agreement (in respect of such election or appointment) with another Person that deals with an Affiliate at arm's length, or as part of or related to an amalgamation, a merger or a consolidation of an Affiliate into or with another person, a reorganization of the capital of an Affiliate or the acquisition of an Affiliate as a result of which securities entitled to less than fifty (50%) percent of the votes exercisable by holders of the then-outstanding securities entitled to Voting Stock of an Affiliate is converted on or immediately after such transaction are held in the aggregate by Persons who were holders of Voting Stock of an Affiliate immediately prior to such transaction; and

(iii) References to an Affiliate shall include successors to an Affiliate as a result of any amalgamation, merger, consolidation or reorganization of an Affiliate into or with another body corporate or other legal Person.

7. Non-Solicitation

7.1 The Employee will gain knowledge of the Employer and the Affiliate's business and will form a close working relationship with their respective clients, suppliers, and employees which knowledge could be used to injure the Employer and/or the Affiliates if made available to a competitor or used for competitive purposes.

7.2 The Employee agrees that during employment and for a period of six (6) months after the termination of employment hereunder, howsoever brought about, the Employee will not solicit or attempt to solicit any of the Employer's or Affiliates' clients, provided that following the termination of the Employee's employment, this clause shall only apply in respect of such clients with whom the Employee had serviced or solicited during the twelve (12) month period immediately preceding the termination of the Employee's employment.

7.3 The Employee agrees that during employment and for a period of six (6) months following termination of employment hereunder, howsoever brought about, the Employee will not solicit or attempt to solicit any employee of the Employer that causes or is attempted to cause such employees to cease or reduce the employment provided to the Employer by such employees, provided that following the termination of the Employee's employment, this provision shall only apply in respect of such employees with whom the Employee worked with during the twelve (12) month period immediately preceding the termination of the Employee's employment.

7.4 The Employee acknowledges and agrees that all of the restrictions contained in clause 7 are necessary and fundamental to the protection of the business of the Employer and that all such restrictions are fair, reasonable and valid given the nature of the Employer's business and the Employee's position within that business. The Employee hereby waives all defences to the strict enforcement thereof. The Employee further confirms that these obligations will not unduly preclude Employee from becoming gainfully employed or from otherwise working following the termination of this Agreement.

8. Notices

8.1 Any notice required or permitted to be given to either party must be delivered by hand or personally to the party's address last known to the other party and will be deemed to be received on the date of hand delivery or personal delivery to such address. Personal delivery shall include delivery by a commercial courier.

9. Survival

9.1 The Employee's obligations contained in clauses 3, 7 and 8, shall survive the termination of this agreement.

9.2 The provisions of this Agreement shall survive changes in the employment relationship including, but not limited to:

(a) Changes in the Employee's duties, responsibilities, and compensation and benefits;

(b) Changes in ownership of the Employer; and

(c) Passage of time.

10. Severability, Employment Standards and Accessibility

10.1 In the event that any provision of this agreement is found to be void, invalid, illegal or unenforceable by a court of competent jurisdiction, such finding will not affect any other provision of this agreement. If any provision of this agreement is so broad as to be unenforceable, to the maximum extent permissible by law, such provision shall be interpreted to be only so broad as is enforceable. All covenants, provisions and restrictions in this agreement shall be interpreted in accordance with the ESA, and if a greater entitlement is provided for under the ESA than as set out in any covenant, provision or restriction of this agreement, that greater entitlement shall prevail, the Employee's entitlements shall be increased only to the extent necessary to satisfy such greater entitlement, and the Employer will provide the Employee with such greater entitlement.

Consistent with the Employer's obligations under the Ontario *Accessibility for Ontarians with Disabilities Act, 2005* and the Ontario *Human Rights Code*, the Company accommodates employees with disabilities in accordance with law. If the Employee requires any accommodations, the Employee agrees to promptly let the Employer know.

11. Waiver

11.1 The waiver by either party of any breach or violation of any provision of this agreement shall not operate or be construed as a waiver of any subsequent breach or violation. Further, no such waiver shall be effective or binding unless made in writing by the party purporting to give it.

12. Entire Agreement

12.1 This agreement, in conjunction with the Schedules to the agreement and the Employer's policies and procedures, constitutes the entire agreement between the parties with respect to the employment of the Employee and any and all previous agreements, written or oral, express or implied between the parties or on their behalf relating to the employment of the Employee by the Employer are terminated and cancelled and each of the parties releases and forever discharges the other of and from all manner of actions, causes of action, claim or demands whatsoever under or in respect of any agreement.

13. Headings

13.1 The headings utilized in this agreement are for convenience only and are not to be construed in any way as additions or limitations of the covenants and agreements contained in this agreement.

14. Independent Legal Advice

14.1 The Employee agrees that the Employee has been afforded the opportunity to obtain independent legal advice with respect to this agreement and its terms, and the Employee fully understands the nature and effect of this agreement, and has entered it freely, voluntarily and without duress.

15. Governing Law

15.1 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties have duly executed this agreement as of the day and year first above written.

Kelowna Management Services Corp.

Per: *"Chris Bunka"*
Chris Bunka

SIGNED, SEALED & DELIVERED)
in the presence of:)
)
"*Vanessa Carle*")
Signature)
Vanessa Carle) *"John Docherty"*
Print Name) John Docherty
100 – 740 McCurdy Road, Kelowna, BC)
Address)
Head of Legal Dept.)
Occupation)

SCHEDULE "A"

SERVICES

The Employee shall provide the following services to the Employer and/or the Affiliates, as determined by the Employer:

(a) Co-manage with the CEO, the development and expansion new and existing intellectual property and product pipeline based on its proprietary technologies; including proposing and developing new or novel methods or procedures related to human delivery methods, and the characterization thereof, for bioactive molecules of interest, such as cannabidiol and tetrahydrocannabinol; identifying potential technology and intellectual property acquisitions of interest; and implementing new technologies as they become available;

(b) Collaborate to maintain and develop corporate/investor outreach materials as needed, including, but not limited to, overall corporate messaging through direct creation and development of corporate presentations, PowerPoints, websites, shareholder and community communications, business plans, fact sheets, etc.;

(c) Develop and compile appropriate scientific validation/materials/studies supporting the technology, processes, production and testing merits as applicable and, when necessary, support clientele in the implementation of the technology;

(d) Identify and evaluate opportunities for capital raising and/or strategic collaboration with suitable third-parties at appropriate points in time, including researching, planning, proposing, executing and closing approved projects, acquisitions, mergers and partnerships, as well as locating and cultivating finance sources, creating overall value;

(e) Co-manage with the CEO, employees, junior executives and consultants in their regular duties and day-to-day operations;

(f) Serve in such capacity or capacities as may from time to time be determined by resolution of the Board of Directors or senior management of the Company and perform such duties and exercise such powers as may from time be determined by resolution of the Board of Directors.

(g) Work as needed with lawyers, partners, shareholders and other stakeholders as required and fulfill all duties expected of an executive officer of a corporation, including sourcing and/or negotiation of financial proposals and corporate financings; strategic corporate and financial planning; management of all the overall business operations; communications with shareholders; negotiation and management of agreements; and any other duties that should be reasonably expected by and at the pleasure of the Board of Directors.

SCHEDULE "B"

REMUNERATION

1.1. The Employee's annual base salary will be $180,000.00 ("**Base Salary**") payable semi-monthly.

1.2. An annual increase equal to the Base Salary, equivalent to 1.25x the prior calendar rate of inflation as published by the Bank of Canada, beginning January 1, 2020 and on each subsequent anniversary thereafter until the end of the term;

1.3. The Employee's out of pocket expenses incurred on behalf of the Company shall be paid by the Company (the "Disbursements"). Examples include, but are not limited to: The Disbursements will be limited to the foregoing:

(a) travelling and other costs actually and properly incurred by the Employee in connection with the Employee's duties hereunder, up to a maximum of $40,000.00 per month, with such additional costs being subject to pre-approval by the management of the Company prior to any reimbursement. Both parties recognize that, as the financial condition of the Company improves or deteriorates, this amount may be increased or decreased without making changes to this document and without such changes constituting a termination of this Agreement, provided the Company makes the Employee aware of the changed amount;

(b) specialized training and/or educational costs as authorized by the Company for the enhancement of any Services, up to a maximum of $7,500.00 per year;

(c) stationery and printing costs;

(d) mileage allowance for personal vehicle use at $0.55/km when the Consultant is required to use own vehicle for business purposes.

1.4. The Employee shall also be eligible to receive up to 50% of the total combined salary and any consulting fee compensation ("**Performance Criteria Milestone Completion Payment**") Employee receives annually from the Company and any of the Affiliates as applicable based upon completion of performance criteria milestones to be approved by the Board of Directors. For greater certainty, the Employee will not be eligible for any Performance Criteria Milestone Completion Payments during the reasonable notice period, subject only to applicable ESA requirements.

1.5. The Employee shall be entitled to receive six weeks' (or 30 days) of paid vacation in each year of employment.

1.6. The Employee shall be entitled to participate in any stock option plan of the Employer or an Affiliate, with such stock option amounts and exercise price to be determined by the Board of Directors of such Employer or Affiliate.

1.7. The Employee is also eligible to participate in the as-yet uncreated profit sharing plan that will be extended as soon as possible to all employees and eligible consultants. Details of the profit sharing plan will be provided in a separate document. Notwithstanding anything to the contrary, in order to be eligible to receive any profit sharing payments, the Employee must be actively employed by the Employer on the date that the profit sharing payment is payable. For greater certainty, the Employee will not eligible for any profit sharing payments during the reasonable notice period, subject only to applicable ESA requirements.

If so requested by the Employee, through calculation with the Employee, and with the Employee's approval: At the time of any equity award consideration that may be paid to the Employee hereunder, such equity award shall be subject to a reduction in the equity issued to the Employee per grant to be paid instead as cash proportional to the tax liability to be incurred by the Employee at the time of the award. The Company will withhold from payment to the Employee that fraction of the equity that corresponds to the federal and provincial income tax payments otherwise payable by the Employee, specifically with respect to each award only, and the Employee agrees that such a hybrid payment of cash and equity would fulfill the obligations of the Company with respect to each affected award. The intent of this partial cash payment is to provide cash compensation to the Employee in the proportionate amount of the equity award and it is expressly agreed that it remains the sole responsibility of the Employee to remit all amounts due to Provincial and Federal tax authorities.

EXHIBIT 10.2

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made the 1st day of January, 2019.

BETWEEN:

Lexaria Bioscience Corp., a company duly incorporated under the laws of the State of Nevada and having its office at #100 – 740 McCurdy Road, Kelowna, British Columbia, Canada V1X 2P7

(hereinafter referred to as the "**Company**")

AND:

C.A.B. Financial Services Ltd, a company duly incorporated under the laws of British Columbia and having its office at [**][1]

(hereinafter referred to as the "**Consultant**")

WHEREAS:

A. The Company is a publicly traded corporation involved, on its own, and through its subsidiaries, in the research and development of its patented technology for use in the nicotine, pharmaceutical, hemp and cannabis industries ("**Work**").

B. The Consultant has certain specialized skills, which will benefit the Company and its Work.

C. The Company wishes to engage the Consultant to provide to it the services noted in the attached Schedule "A" (the "**Services**") on the terms and conditions hereinafter set forth.

D. The Consultant agrees to provide the Services to the Company on the terms and conditions set out in this Agreement (the "**Agreement**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the covenants and agreements hereinafter contained the parties hereto have agreed as follows:

1. **ENGAGEMENT OF SERVICES**

1.1. The Company hereby engages the Consultant to provide the Services and assist the Company with its Work as an independent contractor to the Company.

1.2. The Consultant hereby represents and warrants to the Company that it and its employees and contractors have the required skills and expertise to perform the duties and exercise the responsibilities required in the performance of the Services.

1.3. The Consultant shall be responsible for ensuring that it and its employees and contractors have an appropriate workplace to conduct the Services and all necessary tools to perform the Services.

1.4. The Consultant understands and agrees that, in the performance of the Services, its and/or its employees and contractors' names and/or likeness may be announced and circulated via public disclosure documents, social media, websites, meetings, appearances and public events of the Company. The Consultant understands that as a publicly traded entity, the Company has certain transparency obligations to its shareholders, stock exchanges, and other regulatory bodies, and has legal obligations to disclose the Consultant's initial and ongoing relationship with the Company during the normal course of business.

[1] Certain information has been redacted: the omitted text sets forth the private resident of the consultant

1.5. The Consultant represents and warrants that neither the Consultant's provision of Services under this Agreement nor any items delivered or provided to the Company in connection with providing the Services under this Agreement will infringe on any patents, copyrights, trademarks, trade secret rights, or other intellectual property rights of any third party. The Consultant additionally represents and warrants that by providing the Services under this Agreement, the Consultant will not breach any other agreement to which the Consultant is a party, including any non-competition or non-solicitation provision that would prevent the Consultant from performing all or part of the Services.

1.6. The Consultant represents and warrants that there are currently no outstanding or anticipated claims or judgments against the Consultant by any person (including any former employee or contractor of the Contractor).

2. TERM

2.1. The term of this Agreement shall be for a period three (3) years (the "**Term**"), effective as of the 1st day of January, 2019, and expiring automatically on January 1, 2022 (the "**Expiration Date**") unless terminated earlier as hereinafter provided (including termination any time before the end of the Term) or unless renewed or extended by mutual written consent of both parties prior to the Expiration Date. The parties may agree in writing that, after the Expiration Date, the Agreement will serve as a month-to-month agreement, subject to the terms and conditions herein. The parties agree to have this agreement apply retroactive to January 1, 2019, even though the agreement is signed after January 1, 2019, for the mutual benefit of both parties.

3. **STANDARD OF PERFORMANCE**

3.1 The Consultant shall perform the Services honestly and in good faith, and in an efficient, prompt, professional, skillful and careful manner in accordance with industry methods, standards and practices. The Consultant shall be free to determine the means and methods of the provision of the Services required under this Agreement, but recognizes that the performance of the Services shall require the Consultant to dedicate a majority of its time to the Company. The performance of the Services is subject to the satisfaction of the Company and Board's reasonable standards in this regard;

3.2 The Consultant shall carry out the Services in a timely manner, and in compliance with all legal, regulatory and stock exchange requirements, as applicable;

3.3 The Consultant reserves the right to refuse any request from the Company which may, in its reasonable opinion, violate any applicable United States of America ("**U.S.A**") or Canadian Federal laws, U.S.A State laws or Canadian Provincial/Territorial laws.

3.4 The Company is aware that during the term of this Agreement, the Consultant and/or its employees or contractors may have and may continue to provide services to other companies and/or have financial or business interests in other companies. The Company agrees that Consultant and/or its employees or contractors may continue to devote time to such outside interests, provided that such interests do not conflict with or hinder Consultant's ability to perform the Services under this Agreement.

3.5 The Consultant shall obtain, at its expense, all licenses, permits and registrations required for it to provide the Services.

4. **NATURE OF RELATIONSHIP**

4.1. The parties acknowledge that the relationship between the Consultant and the Company is that of independent contractors. The Consultant is not an employee, agent or dependent contractor of the Company, nor are the Company and the Consultant partners or joint venturers with each other. Nothing in this Agreement shall be construed as making the Consultant and the Company partners or joint venturers, making the Consultant an employee, agent or dependent contractor of the Company, or imposing any liability as partner, joint venture, principal or agent on the Company or the Consultant, as the case may be. The Consultant shall not use the name of the Company or any of its affiliates in any advertisement, promotional or marketing material.

4.2. The Consultant may provide services for and on behalf of third parties provided that the provision of such services by the Consultant, or employees or contractors of the Consultant who are providing the Services are outside the time such persons are required to be available to provide the Services and do not conflict with the Consultant's responsibilities and obligations to the Company pursuant to this Agreement.

5. **REMUNERATION**

5.1. The Company shall pay the cash remuneration and provide the security consideration (the "**Equity Consideration**") as described in Schedule "B" (collectively, the "**Remuneration**") to the Consultant for the provision of the Services.

5.2. In addition to the Remuneration, the Company shall also reimburse the Consultant, on a monthly basis, for disbursements (the "**Disbursements**") associated with providing the Services upon receipt of an invoice or invoices, or such other documents agreed to by the Company, evidencing the Disbursements. The Disbursements will be limited to the foregoing:

(a) travelling and other costs actually and properly incurred by the Consultant in connection with the Consultant's duties hereunder, up to a maximum of $40,000.00 per month (the "Authorized Amount"), subject to the Company's available cash on hand exceeding CDN$1,000,000 during that month, failing which, the Authorized Amount shall be reduced by 50%. Any costs that exceed the Authorized Amount in any month shall be subject to pre-approval by the management of the Company prior to any reimbursement. Both parties recognize that, as the financial condition of the Company improves or deteriorates, this amount may be increased or decreased without making changes to this document and without such changes constituting a termination of this Agreement, provided the Company makes the Consultant aware of the changed amount;

(b) specialized training and/or educational costs as authorized by the Company for the enhancement of any Services, up to a maximum of $7,500.00 per year; and

(c) mileage allowance for personal vehicle use at $0.55/km when the Consultant is required to use own vehicle for business purposes.

5.3. It is understood by the Consultant that any Equity Consideration issued by the Company as part of the Remuneration will not be, and has not been, registered under the U.S.A *Securities Act of 1933*, as amended, and may not be offered or sold in the U.S.A absent registration or an applicable exemption from registration requirements. Any Equity Consideration and all related share issuances will be in compliance with all applicable regulations in the U.S.A and Canada. The Equity Consideration issued will be subject to a hold period in Canada of not less than four months and one day, or for any resales possible into the U.S.A under Rule 144, not less than six months and one day. Hold periods may be longer if regulations so stipulate.

6. **CONFIDENTIALITY**

6.1. The Consultant shall not, either during the continuance of its contract hereunder, or at any time thereafter, disclose the private affairs of the Company and/or any subsidiary of the Company (a "**Subsidiary**"), or any trade secrets or intellectual property of the Company and/or a Subsidiary (together or separately and as described below, "**Proprietary Information**"), to any person other than the Directors of the Company or such other persons as authorized in writing by the Directors of the Company and further shall not (either during the continuance of its contract hereunder or at any time thereafter) use for its own purposes or for any purpose other than those of the Company and/or a Subsidiary any information it may acquire in relation to the business and affairs of the Company and/or a Subsidiary, unless required by law or authorized in writing by the Directors of the Company.

For the purposes of this Agreement, the term "Subsidiary" shall have the meaning ascribed to that term in National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators.

6.2. Proprietary Information as that term is used herein shall include the following:

(a) all knowledge, data and information which the Consultant may acquire from the documents and information disclosed to it by the Company, a Subsidiary, their respective employees, attorneys, consultants, independent contractors, clients or representatives whether orally, in written or electronic form, or on electronic media including, by way of example and not by limitation, any products, customer lists, supplier lists, marketing techniques, technical processes, formulae, inventions or discoveries (whether patentable or not), innovations, suggestions, ideas, business models, industrial designs, reports, data, patents, trademarks, trade secrets and copyrights, made or developed by the Company or a Subsidiary and related data and information related to the conduct of the business of the Company or a Subsidiary;

(b) all discussions with officers, directors, employees, independent contractors, lawyers, consultants, clients, finance sources, customers or representatives of the Company or a Subsidiary and the fact that such discussions are taking place; and

(c) for greater certainty, Proprietary Information shall not include matters of general public knowledge as disclosed on SEDAR or EDGAR, information legally received or obtained by the Consultant from a third party or parties without a duty of confidentiality, and information independently known or developed by the Consultant without the assistance of the Company, provided that the Consultant advises the Company of such information within one week of receiving such information.

7. **TERMINATION**

7.1. This Agreement may be terminated immediately by the Company or the Consultant without notice or any other obligation (except for the Monthly Fee prorated to the day immediately before such termination) if either party breaches the Agreement. A breach may include, but is not limited to, the following:

(a) The Company or the Consultant shall commit any material breach of any of the provisions herein contained; or

(b) The Company or the Consultant shall be guilty of any misconduct or neglect in the discharge of its duties hereunder; or

(c) The Company or the Consultant shall become bankrupt or make any arrangements or composition with its creditors; or

(d) The Company or the Consultant shall be convicted of any criminal offence other than an offence which, in the reasonable opinion of the Board of Directors of the Company, does not affect the Company's ability to continue to operate or the Consultant's ability to perform the Services, as applicable.

7.2. This Agreement may be terminated by the Consultant at any time for convenience by providing three (3) month's prior written notice.

7.3. This Agreement may be terminated by the Company at any time for convenience by:

(a) providing [**][2] prior written notice; or

(b) providing a lump sum termination break fee payment ("**Termination Break Fee Payment**") to the Consultant in the amount equal to fifteen (15) times the Monthly Fee (as defined in Schedule "B" to this agreement) plus GST.

Provided the Company provides the above notice under 7.3(a) or Termination Break Fee Payment under 7.3(b), the Company shall have no further obligation to the Consultant and its employees and contractors.

7.4. Notwithstanding any compensation provided under the termination provisions of this Agreement, and subject to section 7.6 below, should a change of control ("**Change of Control**") occur in the Company during the Term of this Agreement or within 6 months after the earlier of the following: i) the Expiration Date; ii) the date on which the Consultant terminates the agreement under section 7.1; iii) the date on which the Consultant gives notice under section 7.2; or iv) the date on which the Company gives notice under section 7.3; then:

(a) the Company shall be obligated to pay the Consultant a lump sum payment in the amount equal to [**][3] the Monthly Fee (as defined in Schedule "B" to this agreement); and

(b) any stock options or warrants to purchase common stock, as referred to in all existing and future agreements between the Company and the Consultant, granted to the Consultant (including any award that resulted from a substituted or replacement of equity awards upon Change of Control) shall become immediately vested and exercisable.

[2] Certain information has been redacted: the omitted text sets forth the severance payable for termination without cause

[3] Certain information has been redacted: the omitted text sets forth the severance payable upon a change of control

7.5. For the purposes of section 7.4, a Change of Control means any of the following events:

(a) If any individual, partnership, company, society, or other legal entity (a "**Person**"), alone or together with any other Persons with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, such securities (or securities convertible into, or exchangeable for, securities) entitled to more than fifty percent (50%) or more of the votes exercisable by holders of the then-outstanding securities generally entitled to vote for the election of directors ("**Voting Stock**") of the Company or if any Persons that previously were not acting jointly or in concert commence acting jointly or in concert and together beneficially own, or have the power to exercise control or direction over, securities entitled to more than fifty percent (50%) or more of the votes exercisable by holders of voting stock, or have rights of conversion which, if exercised, would permit such Persons to own or control such a percentage of votes;

(b) The Company is merged, amalgamated or consolidated into or with another Person and, as a result of such business combination, a Person who previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, either alone or together with any other persons with whom it is acting jointly or in concert, is now, either alone or together with any other persons with whom it is acting jointly or in concert, entitled to hold more than fifty percent (50%) of the votes, exercisable by holders of the Voting Stock of the Company or of such Person into which the Voting Stock of the Company has been converted;

(c) The capital of the Company is reorganized and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, now as a result of such reorganization, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company;

(d) The Company sells or otherwise transfers all or substantially all of its assets to another Person and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company, now as a result of such sale or transfer, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Company; or

(e) During any period of two consecutive years, individuals ("**Incumbent Directors**") who at the beginning of any such period constitute the directors of the Company cease for any reason to constitute at least a majority thereof. For the purposes of this clause:

i. Each director who, during any such period, is elected or appointed as a director of the Company with the approval of at least a majority of the voting shareholders of the Company will be deemed to be an Incumbent Director;

ii. An “Incumbent Director” does not include a director, elected or appointed pursuant to an agreement (in respect of such election or appointment) with another Person that deals with the Company at arm’s length, or as part of or related to an amalgamation, a merger or a consolidation of the Company into or with another person, a reorganization of the capital of the Company or the acquisition of the Company as a result of which securities entitled to less than fifty (50%) percent of the votes exercisable by holders of the then-outstanding securities entitled to Voting Stock of the Company is converted on or immediately after such transaction are held in the aggregate by Persons who were holders of Voting Stock of the Company immediately prior to such transaction; and

iii. References to the Company shall include successors to the Company as a result of any amalgamation, merger, consolidation or reorganization of the Company into or with another body corporate or other legal Person.

7.6. In the event that the Company becomes financially distressed, it is accepted that the Consultant will have failed in performing the Services to the extent necessary to create value and revenue for the Company. In such circumstances, if a Change of Control or a Subsidiary Sale (as defined in section 8.1) is necessary in order to maintain the Company’s assets and/or shareholder value, the entitlement to the Change of Control payment noted under section 7.4 (a) or the Subsidiary Sale Entitlement noted under section 8.1, shall become null and void.

7.7. Upon termination or expiration of this Agreement, for any reason, at the request of the Board of Directors of the Company, the Consultant and/or its employees or consultant shall forthwith resign any position or office which it/he then holds with the Company or any Subsidiary of the Company. The provisions of sections on Proprietary Information and on confidentiality shall survive the termination or expiration of this Agreement.

7.8. Upon termination or expiration of this Agreement, for any reason, the Consultant must immediately return to the Company all correspondence, information, reports, emails, phone recordings or transcripts, notes, Consultant contact information, and all other materials related to the work performed for the Company including all Proprietary Information during the contract period.

(a) All such materials and information as referred to in section 6.2, above, are the exclusive property of the Company. After returning, transmitting or otherwise sending such information to the Company, Consultant must destroy any and all remaining copy(ies) or records of same.

(b) All such materials and information as referred to in section 6.2 were obtained during the time of the paid contract with the Company, and may not be shown, lent, given, discussed or in any way disclosed with or to any other party as per the terms of the contract. The Proprietary Information Consultant gained or had access to during the period of the contract is the exclusive property of the Company and section 6 of this Agreement, which governs such Proprietary Information, shall survive the termination of this Agreement.

8. **SUBSIDIARY SALE**

8.1. Notwithstanding any compensation provided under the termination provisions of this Agreement, and subject to section 7.6 above, should there be a sale of any of the Company's subsidiaries (each such sale being a "**Subsidiary Sale**") either during the Term of this Agreement or within 6 months after the earlier of the following: i) the Expiration Date; ii) the date on which the Consultant terminates the agreement under section 7.1; iii) the date on which the Consultant gives notice under section 7.2; or iv) the date on which the Company gives notice under section 7.3, then, the Company shall be obligated to pay the Consultant a one-time lump sum payment in the amount equal to 2% of the total value of such Subsidiary Sale (the "**Subsidiary Sale Entitlement**"). The Subsidiary Sale Entitlement shall mirror the consideration provided to the Company by the purchaser of the subsidiary (the "Purchaser"), for further clarity, should the Company be issued:

(a) share consideration of the Purchaser, the Consultant will receive a Subsidiary Sale Entitlement that is equal to 2% of the number of shares of the Purchaser issued to the Company;

(b) a combination of share consideration of the Purchaser and cash, the Consultant will receive a Subsidiary Sale Entitlement that is equal to 2% of the number of shares of the Purchaser issued to the Company and 2% of the cash value paid to the Company; and

(c) cash consideration only, the Consultant will receive a Subsidiary Sale Entitlement that is equal to 2% of the cash value paid to the Company.

The Subsidiary Sale Entitlement shall be paid to the Consultant within 90 days of completion of the Subsidiary Sale. The Company shall be responsible for the payment of any applicable GST or HST payable on the Subsidiary Sale Entitlement and the Consultant shall be responsible to pay all other taxes associated with the Subsidiary Sale Entitlement.

8.2. For the purposes of section 8.1, a Subsidiary Sale means any of the following events:

(a) If any individual, partnership, company, society, or other legal entity (a "**Person**"), alone or together with any other Persons with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, such securities (or securities convertible into, or exchangeable for, securities) entitled to more than fifty percent (50%) or more of the votes exercisable by holders of the then-outstanding securities generally entitled to vote for the election of directors ("Voting Stock") of a Subsidiary or if any Persons that previously were not acting jointly or in concert commence acting jointly or in concert and together beneficially own, or have the power to exercise control or direction over, securities entitled to more than fifty percent (50%) or more of the votes exercisable by holders of voting stock, or have rights of conversion which, if exercised, would permit such Persons to own or control such a percentage of votes;

(b) A Subsidiary is merged, amalgamated or consolidated into or with another Person and, as a result of such business combination, a Person who previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Subsidiary, either alone or together with any other persons with whom it is acting jointly or in concert, is now, either alone or together with any other persons with whom it is acting jointly or in concert, entitled to hold more than fifty percent (50%) of the votes, exercisable by holders of the Voting Stock of a Subsidiary or of such Person into which the Voting Stock of a Subsidiary has been converted;

(c) The capital of a Subsidiary is reorganized and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Subsidiary, now as a result of such reorganization, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of a Subsidiary;

(d) A Subsidiary sells or otherwise transfers all or substantially all of its assets to another Person and a Person, together with any other persons with whom it is acting jointly or in concert, which previously held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Subsidiary, now as a result of such sale or transfer, holds securities entitled to more than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of the Subsidiary; or

(e) During any period of two consecutive years, individuals ("**Incumbent Directors**") who at the beginning of any such period constitute the directors of a Subsidiary cease for any reason to constitute at least a majority thereof. For the purposes of this clause:

i. Each director who, during any such period, is elected or appointed as a director of a Subsidiary with the approval of at least a majority of the Incumbent Directors will be deemed to be an Incumbent Director;

ii. An "Incumbent Director" does not include a director, elected or appointed pursuant to an agreement (in respect of such election or appointment) with another Person that deals with a Subsidiary at arm's length, or as part of or related to an amalgamation, a merger or a consolidation of a Subsidiary into or with another person, a reorganization of the capital of a Subsidiary or the acquisition of a Subsidiary as a result of which securities entitled to less than fifty (50%) percent of the votes exercisable by holders of the then-outstanding securities entitled to Voting Stock of a Subsidiary is converted on or immediately after such transaction are held in the aggregate by Persons who were holders of Voting Stock of a Subsidiary immediately prior to such transaction; and

iii. References to a Subsidiary shall include successors to a Subsidiary as a result of any amalgamation, merger, consolidation or reorganization of a Subsidiary into or with another body corporate or other legal Person.

9. **NON-SOLICITATION**

9.1. The Consultant will gain knowledge of the Company and its Subsidiary's business and will form a close working relationship with their respective clients, suppliers, and employees which knowledge could be used to injure the Company and/or the Subsidiaries if made available to a competitor or used for competitive purposes.

9.2. The Consultant agrees that during the engagement and for a period of six (6) months after the termination of the engagement hereunder, howsoever brought about, the Consultant will not solicit or attempt to solicit any of the Company's or Subsidiaries' clients, provided that following the termination of the Consultant's engagement, this clause shall only apply in respect of such clients with whom the Consultant had serviced or solicited during the twelve (12) month period immediately preceding the termination of the Consultant's engagement.

9.3. The Consultant agrees that during its engagement and for a period of six (6) months following termination of engagement hereunder, howsoever brought about, the Consultant will not solicit or attempt to solicit any employee of the Company that causes or is attempted to cause such employees to cease or reduce the employment provided to the Company by such employees, provided that following the termination of the Consultant's engagement, this provision shall only apply in respect of such employees with whom the Consultant worked with during the twelve (12) month period immediately preceding the termination of the Consultant's engagement.

9.4. The Consultant acknowledges and agrees that all of the restrictions contained in section 9 are necessary and fundamental to the protection of the business of the Company and that all such restrictions are fair, reasonable and valid given the nature of the Company's business and the Consultant's position within that business. The Consultant hereby waives all defences to the strict enforcement thereof. The Consultant further confirms that these obligations will not unduly preclude Consultant from becoming gainfully contracted or from otherwise working following the termination of this Agreement.

10. **NOTICE**

10.1. Any notice to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered to, or sent by prepaid registered post addressed to, the respective addresses of the parties appearing on the first page of this Agreement (or to such other address as one party provides to the other in a notice given according to this paragraph). Where a notice is given by registered post it shall be conclusively deemed to be given and received on the fifth day after its deposit in a Canada post office any place in Canada.

10.2. The parties agree that any written notice may be given, in lieu of registered post, by way of email, fax, scan or such other electronic transmission if forwarded to the following contact particulars:

For the Company:

Address: 100 – 740 McCurdy Road, Kelowna, BC V1X 2P7
Email: jdocherty@lexariabioscience.com
Fax: 250-7695-2599

For the Consultant:

Address: [**][4]
Email: cbunka@lexariabioscience.com
Fax: _____

11. **PAYMENT OF TAXES AND OTHER CHARGES, AND INDEMNITY BY CONSULTANT**

11.1. The Consultant shall be solely responsible for and shall indemnify the Company from any and all taxes, governmental charges, interest, penalties and other claims by a government entity or any other person (including current and former employees and contractors of the Consultant) arising out of the Consultant's activities with respect to this Agreement, including, but not limited to, harmonized sales tax, provincial sales tax, income tax, Canada Pension Plan contributions, Employment Insurance premiums, employer health tax, workers compensation contributions and any other taxes and statutory withholdings payable by Consultant and/or that were not withheld, deducted or remitted by the Company on behalf of the Consultant and/or its employees or contractors. The Company shall not be required to make any payment or contribution in respect of taxes payable by the Consultant or its employees or contractors. The Consultant shall maintain records in respect of income taxes, sales tax, employer health tax, employment insurance premiums, Canada Pension Plan and workers compensation contributions relating to the provision of Services hereunder, including for the Consultant's employees and contractors.

11.2. The Consultant shall indemnify and save harmless the Company from and against any and all claims, charges, demands, loss, damages, costs, penalties or expenses arising as a result of (a) the Consultant's failure to provide the Services in a timely fashion, (b) a breach the Consultant's representations, warranties or covenants in this Agreement, (c) death or personal injury caused by the Consultant's negligence or wilful misconduct, (d) physical loss or damage to the Company's property or premises caused by the Consultant's negligence or wilful misconduct, and (e) the Consultant's infringement or violation of the proprietary or intellectual property rights of any third party.

[4] Certain information has been redacted: the omitted text sets forth the private residence of the consultant

12. **INSURANCE**

12.1. The Consultant assumes all risk and liability for personal injury or damage to personal property in the carrying out of this Agreement and for which adequate levels of insurance coverage is deemed to have been obtained by the Consultant. Without limiting the generality of the foregoing, the Consultant is responsible for automobile insurance in respect of any vehicle used by the Consultant or its employees, and any applicable workers' compensation or other liability insurance.

13. **MISCELLANEOUS**

13.1. This Agreement may not be assigned by either party without the prior written consent of the other.

13.2. The titles of headings to the respective paragraphs of this agreement shall be regarded as having been used for reference and convenience only.

13.3. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective directors, officers, heirs, executors, administrators, successors and permitted assigns. For this purpose, the terms "successors" and "assigns" shall include any person, firm or corporation or other entity which at any time, whether by merger, purchase or otherwise, shall acquire all or substantially all of the assets or business of the Company.

13.4. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia, Canada.

13.5. With the exception of any previously granted options or restricted stock, the parties agree that any and all previous agreements, written or oral, entered into between the parties hereto or on their behalf relating to the engagement of the Consultant by the Company are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other party hereto of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such previous agreements.

13.6. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the provisions of this Agreement.

13.7. This Agreement may only be amended, upon approval by the Board of Directors of the Company and by an instrument in writing signed by both parties.

13.8. This Agreement and the obligations of the Company herein are subject to all applicable laws and regulations in force at the local, State/Province, and Federal levels in both Canada and the United States. In the event that there is a dispute between the Company and Consultant, Consultant agrees to allow such dispute to be settled according to applicable Canadian law in an applicable British Columbia jurisdiction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

Lexaria Bioscience Corp.

"*John Docherty*"
Authorized Signatory

"*Allan Spissinger*"
Authorized Signatory

C.A.B. Financial Services Ltd.

"*Chris Bunka*"
Authorized Signatory

SCHEDULE "A"

The Services shall include the following:

(a) Developing and expanding the Company's new and existing product pipeline based on its current proprietary technologies, and implementing new technologies as they become available with a continued focus on improving and optimizing speed and extent of drug delivery and flavour profile;

(b) Assisting the Company and its licensees on achieving successful commercial production with definitive deadlines for commencement and anticipated royalty payments;

(c) Maintaining and developing the Company's communications and marketing materials with a goal of establishing a consistent message that is associated with the Company's brands;

(d) Identifying, researching, evaluating and completing transactions for capital raising and/or strategic collaborations with suitable third-parties, all of which create value for the Company;

(e) Assisting in the management and development of the Company's subsidiaries and parent company including day-to-day operations, evaluating and implementing supply chain efficiencies and facilitating distribution and sales growth;

(f) Operating as the Chief Executive Officer (the "CEO");

(g) Serving the Company (and/or such subsidiary or subsidiaries of the Company as the Company may from time to time require) in such consulting capacity or capacities as may from time to time be determined by resolution of the Board of Directors or senior management of the Company and shall perform such duties and exercise such powers as may from time be determined by resolution of the Board of Directors, as an independent contractor;

(h) Work as needed with lawyers, partners, shareholders and other stakeholders; and

(i) Fulfill all duties expected of the Consultant for a biotechnology/bioscience company and any other duties that should be reasonably expected by and at the pleasure of the Board of Directors.

SCHEDULE "B"

The Remuneration issuable to the Consultant shall consist of the following:

1. the sum of CDN$23,500 plus Goods and Services Tax (GST) per month, payable the last day of each calendar month (the "**Monthly Fee**"), together with any such increments or performance based incentives thereto as the Board of Directors of the Company may from time to time determine and approve. The Consultant has the GST number 121887822RT0001;

2. an annual increase to the Monthly Fee equal to 1.25x the prior calendar rate of inflation as published by the Bank of Canada, beginning January 1, 2020, and on each subsequent anniversary thereafter until the end of the Term;

3. the Consultant shall be eligible to receive a Performance-Based Incentive of up to 50% of an amount equal to twelve times (12x) the Monthly Fee based upon completion in part or in whole of a series of performance criteria to be determined and assessed by the Board of Directors each year hereunder. Notwithstanding anything to the contrary, any Performance-Based Incentive payable to Consultant will be at the sole discretion of the Company's Board of Directors, acting reasonably, subject to the following criteria:

    a. the Company will have clearly communicated to the Consultant the specific tasks which need to be completed in order to receive Performance-Based Incentive;

    b. the Company will have clearly communicated to the Consultant the specific deadlines for completing the Company's objectives;

    c. the fulfillment of the performance criteria by the Consultant will be done in a manner that ensures that the Company's reputation and goodwill is not depreciated.

4. options entitling the Consultant to purchase voting shares of the Company at a price equal to the market price on the date of issuance of such options, if and as determined appropriate by the disinterested Directors upon annual review; and

5. if deemed appropriate by the board of the Company, participation in any Lexaria profit sharing plan that includes participation by consultants. Details of any such profit sharing plan(s) will be provided in separate documents.

If so requested by the Consultant, and through calculation with the Consultant, and the Consultant's and the Company's approval, with such approval from the Company not being unreasonably withheld, at the time of any equity award consideration that may be paid to the Consultant hereunder, such equity award shall be subject to a reduction in the equity issued to the Consultant per grant to be paid instead as cash proportional to the tax liability to be incurred by the Consultant at the time of the award. The Company will withhold from payment to the Consultant that fraction of the equity that would correspond to the Federal and Provincial income tax payments otherwise payable by the Consultant specifically with respect to each award only, and Consultant agrees that such a hybrid payment of cash and equity would fulfill the obligations of the Company with respect to each affected award. The intent of this partial cash payment would be to provide cash compensation to Consultant in the proportionate amount of the equity award and it is expressly agreed that it remains the sole responsibility of Consultant to remit all amounts due to Provincial and Federal tax authorities.

The Consultant shall not be entitled to participate in, or receive any benefits from, any employee benefit programs or plans operated by the Company (including without limitation, vacation pay, statutory holidays and health benefits).

EXHIBIT 10.3

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made the 1st day of January, 2019.

BETWEEN:

Lexaria Nicotine LLC, a limited liability company formed under the laws of the State of Delaware and having its office at #100 – 740 McCurdy Road, Kelowna, British Columbia, Canada V1X 2P7

(hereinafter referred to as the "**Company**")

AND:

Docherty Management Ltd., a company duly incorporated under the laws of Ontario and having its office at [**][1]

(hereinafter referred to as the "**Consultant**")

WHEREAS:

A. The Company is a private corporation involved in the research and development of licensed patented technology for use in the nicotine industry ("**Work**").

B. The Consultant has certain specialized skills, which will benefit the Company and its Work.

C. The Company wishes to engage the Consultant to provide to it the services noted in the attached Schedule "A" (the "**Services**") on the terms and conditions hereinafter set forth.

D. The Consultant agrees to provide the Services to the Company on the terms and conditions set out in this Agreement (the "**Agreement**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the covenants and agreements hereinafter contained the parties hereto have agreed as follows:

1. ENGAGEMENT OF SERVICES

1.1. The Company hereby engages the Consultant to provide the Services and assist the Company with its Work as an independent contractor to the Company.

1.2. The Consultant hereby represents and warrants to the Company that it and its employees and contractors have the required skills and expertise to perform the duties and exercise the responsibilities required in the performance of the Services.

1.3. The Consultant shall be responsible for ensuring that it and its employees and contractors have an appropriate workplace to conduct the Services and all necessary tools to perform the Services.

1.4. The Consultant understands and agrees that, in the performance of the Services, its and/or its employees and contractors' names and/or likeness may be announced and circulated via public disclosure documents, social media, websites, meetings, appearances and public events of the Company.

[1] Certain information has been redacted: the omitted text sets forth the private residence of the consultant

1.5. The Consultant represents and warrants that neither the Consultant's provision of Services under this Agreement nor any items delivered or provided to the Company in connection with providing the Services under this Agreement will infringe on any patents, copyrights, trademarks, trade secret rights, or other intellectual property rights of any third party. The Consultant additionally represents and warrants that by providing the Services under this Agreement, the Consultant will not breach any other agreement to which the Consultant is a party, including any non-competition or non-solicitation provision that would prevent the Consultant from performing all or part of the Services.

1.6. The Consultant represents and warrants that there are currently no outstanding or anticipated claims or judgments against the Consultant by any person (including any former employee or contractor of the Contractor).

2. TERM

2.1. The term of this Agreement shall be for a period of one (1) year (the "**Term**"), effective as of the 1st day of January, 2019, and will be renewable automatically for further one year terms unless terminated earlier as hereinafter provided (including termination any time before the end of the Term) (the "**Expiration Date**"), subject to the terms and conditions herein. The parties agree to have this agreement apply retroactive to January 1, 2019, even though the agreement is signed after January 1, 2019, for the mutual benefit of both parties.

3. STANDARD OF PERFORMANCE

3.1 The Consultant shall perform the Services honestly and in good faith, and in an efficient, prompt, professional, skillful and careful manner in accordance with industry methods, standards and practices. The Consultant shall be free to determine the means and methods of the provision of the Services required under this Agreement, subject however to satisfaction of the Company's reasonable standards in this regard;

3.2 The Consultant shall carry out the Services in a timely manner, and in compliance with all legal, regulatory and stock exchange requirements, as applicable;

3.3 The Consultant reserves the right to refuse any request from the Company which may, in its reasonable opinion, violate any applicable United States of America ("**U.S.A**") or Canadian Federal laws, U.S.A State laws or Canadian Provincial/Territorial laws.

3.4 The Company is aware that during the term of this Agreement, the Consultant and/or its employees or contractors may have and may continue to provide services to other companies and/or have financial or business interests in other companies. The Company agrees that Consultant and/or its employees or contractors may continue to devote time to such outside interests, provided that such interests do not conflict with or hinder Consultant's ability to perform the Services under this Agreement.

3.5 The Consultant shall obtain, at its expense, all licenses, permits and registrations required for it to provide the Services.

4. **NATURE OF RELATIONSHIP**

4.1. The parties acknowledge that the relationship between the Consultant and the Company is that of independent contractors. The Consultant is not an employee, agent or dependent contractor of the Company, nor are the Company and the Consultant partners or joint venturers with each other. Nothing in this Agreement shall be construed as making the Consultant and the Company partners or joint venturers, making the Consultant an employee, agent or dependent contractor of the Company, or imposing any liability as partner, joint venture, principal or agent on the Company or the Consultant, as the case may be. The Consultant shall not use the name of the Company or any of its affiliates in any advertisement, promotional or marketing material.

4.2. The Consultant may provide services for and on behalf of third parties provided that the provision of such services by the Consultant, or employees or contractors of the Consultant who are providing the Services are outside the time such persons are required to be available to provide the Services and do not conflict with the Consultant's responsibilities and obligations to the Company pursuant to this Agreement.

5. **REMUNERATION**

5.1. The Company shall pay the cash remuneration and provide the security consideration (the "**Equity Consideration**") as described in Schedule "B" (collectively, the "**Remuneration**") to the Consultant for the provision of the Services.

5.2. In addition to the Remuneration, the Company shall also reimburse the Consultant, on a monthly basis, for disbursements (the "**Disbursements**") associated with providing the Services upon receipt of an invoice or invoices, or such other documents agreed to by the Company, evidencing the Disbursements. The Disbursements will be limited to the foregoing:

(a) travelling and other costs actually and properly incurred by the Consultant in connection with the Consultant's duties hereunder, up to a maximum of $10,000.00 per month, with such additional costs being subject to pre-approval by the management of the Company prior to any reimbursement. Both parties recognize that, as the financial condition of the Company improves or deteriorates, this amount may be increased or decreased without making changes to this document and without such changes constituting a termination of this Agreement, provided the Company makes the Consultant aware of the changed amount;

(b) specialized training and/or educational costs as authorized by the Company for the enhancement of any Services, up to a maximum of $7,500.00 per year; and

(c) mileage allowance for personal vehicle use at $0.55/km when the Consultant is required to use own vehicle for business purposes.

5.3. It is understood by the Consultant that any Equity Consideration issued by the Company as part of the Remuneration will not be, and has not been, registered under the U.S.A *Securities Act of 1933*, as amended, and may not be offered or sold in the U.S.A absent registration or an applicable exemption from registration requirements. Any Equity Consideration and all related share issuances will be in compliance with all applicable regulations in the U.S.A and Canada. The Equity Consideration issued will be subject to a hold period in Canada of not less than four months and one day, or for any resales possible into the U.S.A under Rule 144, not less than six months and one day. Hold periods may be longer if regulations so stipulate.

6. **CONFIDENTIALITY**

6.1. The Consultant shall not, either during the continuance of its contract hereunder, or at any time thereafter, disclose the private affairs of the Company and/or any affiliate of the Company (an "**Affiliate**"), or any trade secrets or intellectual property of the Company and/or an Affiliate (together or separately and as described below, "**Proprietary Information**"), to any person other than the Managers of the Company or such other persons as authorized in writing by the Managers of the Company and further shall not (either during the continuance of its contract hereunder or at any time thereafter) use for its own purposes or for any purpose other than those of the Company and/or an Affiliate any information it may acquire in relation to the business and affairs of the Company and/or an Affiliate, unless required by law or authorized in writing by the Managers of the Company.

For the purposes of this Agreement, the term "Affiliate" shall have the meaning ascribed to that term in National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators.

6.2. Proprietary Information as that term is used herein shall include the following:

(a) all knowledge, data and information which the Consultant may acquire from the documents and information disclosed to it by the Company, an Affiliate, their respective employees, attorneys, consultants, independent contractors, clients or representatives whether orally, in written or electronic form, or on electronic media including, by way of example and not by limitation, any products, customer lists, supplier lists, marketing techniques, technical processes, formulae, inventions or discoveries (whether patentable or not), innovations, suggestions, ideas, business models, industrial designs, reports, data, patents, trademarks, trade secrets and copyrights, made or developed by the Company or an Affiliate and related data and information related to the conduct of the business of the Company or an Affiliate;

(b) all discussions with officers, directors, employees, independent contractors, lawyers, consultants, clients, finance sources, customers or representatives of the Company or an Affiliate and the fact that such discussions are taking place; and

(c) for greater certainty, Proprietary Information shall not include matters of general public knowledge, information legally received or obtained by the Consultant from a third party or parties without a duty of confidentiality, and information independently known or developed by the Consultant without the assistance of the Company.

7. **TERMINATION**

7.1. This Agreement may be terminated immediately by the Company or the Consultant without notice or any other obligation (except for the Monthly Fee prorated to the day immediately before such termination) if either party breaches the Agreement. A breach may include, but is not limited to, the following:

(a) The Company or the Consultant shall commit any material breach of any of the provisions herein contained; or

(b) The Company or the Consultant shall be guilty of any misconduct or neglect in the discharge of its duties hereunder; or

(c) The Company or the Consultant shall become bankrupt or make any arrangements or composition with its creditors; or

(d) The Company or the Consultant shall be convicted of any criminal offence other than an offence which, in the reasonable opinion of the Managers of the Company, does not affect the Company's ability to continue to operate or the Consultant's ability to perform the Services, as applicable.

7.2. This Agreement may be terminated by the Consultant at any time for convenience by providing three (3) months' prior written notice.

7.3. This Agreement may be terminated by the Company at any time for convenience by:

(a) providing [**][2] prior written notice; or

(b) providing a lump sum termination break fee payment ("**Termination Break Fee Payment**") to the Consultant in the amount equal to one Monthly Fee (as defined in Schedule "B" to this agreement) plus GST for the Term of the Agreement and for each subsequent year that this Agreement has been renewed.

Provided the Company provides the above notice under 7.3(a) or Termination Break Fee Payment under 7.3(b), the Company shall have no further obligation to the Consultant and its employees and contractors.

Upon termination or expiration of this Agreement, for any reason, at the request of the Managers of the Company, the Consultant and/or its employees or consultant shall forthwith resign any position or office which it/he then holds with the Company or any Affiliate of the Company. The provisions of sections on Proprietary Information and on confidentiality shall survive the termination or expiration of this Agreement.

7.4. Upon termination or expiration of this Agreement, for any reason, the Consultant must immediately return to the Company all correspondence, information, reports, emails, phone recordings or transcripts, notes, Consultant contact information, and all other materials related to the work performed for the Company including all Proprietary Information during the contract period.

(a) All such materials and information as referred to in section 6.2, above, are the exclusive property of the Company. After returning, transmitting or otherwise sending such information to the Company, Consultant must destroy any and all remaining copy(ies) or records of same.

(b) All such materials and information as referred to in section 6.2 were obtained during the time of the paid contract with the Company, and may not be shown, lent, given, discussed or in any way disclosed with or to any other party as per the terms of the contract. The Proprietary Information Consultant gained or had access to during the period of the contract is the exclusive property of the Company and section 6 of this Agreement, which governs such Proprietary Information, shall survive the termination of this Agreement.

[2] Certain information has been redacted: the omitted text sets forth the severance payable for termination without cause

8. **NOTICE**

8.1. Any notice to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered to, or sent by prepaid registered post addressed to, the respective addresses of the parties appearing on the first page of this Agreement (or to such other address as one party provides to the other in a notice given according to this paragraph). Where a notice is given by registered post it shall be conclusively deemed to be given and received on the fifth day after its deposit in a Canada post office any place in Canada.

8.2. The parties agree that any written notice may be given, in lieu of registered post, by way of email, fax, scan or such other electronic transmission if forwarded to the following contact particulars:

For the Company:

Address: 100 – 740 McCurdy Road, Kelowna, BC V1X 2P7
Email: cbunka@lexariabioscience.com
Fax: 250-7695-2599

For the Consultant:

Address: [**][3]
Email: jdochery@lexariabioscience.com
Fax:

9. **PAYMENT OF TAXES AND OTHER CHARGES, AND INDEMNITY BY CONSULTANT**

9.1. The Consultant shall be solely responsible for and shall indemnify the Company from any and all taxes, governmental charges, interest, penalties and other claims by a government entity or any other person (including current and former employees and contractors of the Consultant) arising out of the Consultant's activities with respect to this Agreement, including, but not limited to, harmonized sales tax, provincial sales tax, income tax, Canada Pension Plan contributions, Employment Insurance premiums, employer health tax, workers compensation contributions and any other taxes and statutory withholdings payable by Consultant and/or that were not withheld, deducted or remitted by the Company on behalf of the Consultant and/or its employees or contractors. The Company shall not be required to make any payment or contribution in respect of taxes payable by the Consultant or its employees or contractors. The Consultant shall maintain records in respect of income taxes, sales tax, employer health tax, employment insurance premiums, Canada Pension Plan and workers compensation contributions relating to the provision of Services hereunder, including for the Consultant's employees and contractors.

9.2. The Consultant shall indemnify and save harmless the Company from and against any and all claims, charges, demands, loss, damages, costs, penalties or expenses arising as a result of (a) the Consultant's failure to provide the Services in a timely fashion, (b) a breach the Consultant's representations, warranties or covenants in this Agreement, (c) death or personal injury caused by the Consultant's negligence or wilful misconduct, (d) physical loss or damage to the Company's property or premises caused by the Consultant's negligence or wilful misconduct, and (e) the Consultant's infringement or violation of the proprietary or intellectual property rights of any third party.

[3] Certain information has been redacted: the omitted text sets forth the private residence of the consultant

10. **INSURANCE**

10.1. The Consultant assumes all risk and liability for personal injury or damage to personal property in the carrying out of this Agreement and for which adequate levels of insurance coverage is deemed to have been obtained by the Consultant. Without limiting the generality of the foregoing, the Consultant is responsible for automobile insurance in respect of any vehicle used by the Consultant or its employees, and any applicable workers' compensation or other liability insurance.

11. **MISCELLANEOUS**

11.1. This Agreement may not be assigned by either party without the prior written consent of the other.

11.2. The titles of headings to the respective paragraphs of this agreement shall be regarded as having been used for reference and convenience only.

11.3. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective directors, officers, heirs, executors, administrators, successors and permitted assigns. For this purpose, the terms "successors" and "assigns" shall include any person, firm or corporation or other entity which at any time, whether by merger, purchase or otherwise, shall acquire all or substantially all of the assets or business of the Company.

11.4. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia, Canada.

11.5. With the exception of any previously granted options or restricted stock, the parties agree that any and all previous agreements, written or oral, entered into between the parties hereto or on their behalf relating to the engagement of the Consultant by the Company are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other party hereto of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such previous agreements.

11.6. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the provisions of this Agreement.

11.7. This Agreement may only be amended by an instrument in writing signed by both parties.

11.8. This Agreement and the obligations of the Company herein are subject to all applicable laws and regulations in force at the local, State/Province, and Federal levels in both Canada and the United States. In the event that there is a dispute between the Company and Consultant, Consultant agrees to allow such dispute to be settled according to applicable Canadian law in an applicable British Columbia jurisdiction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

Lexaria Nicotine LLC

"*Chris Bunka*"
Authorized Signatory

"*Allan Spissinger*"
Authorized Signatory

Docherty Management Ltd.

"*John Docherty*"
Authorized Signatory

SCHEDULE "A"

The Services shall include the following:

(a) Developing and expanding the Company's new and existing product pipeline based on its current proprietary technologies, and implementing new technologies as they become available;

(b) Maintaining and developing the Company's marketing materials;

(c) Identifying, researching, evaluating and completing transactions for capital raising and/or strategic collaborations with suitable third-parties, all of which create value for the Company;

(d) Assisting in the management and development of the Company's subsidiaries and parent company including day-to-day operations, evaluating and implementing supply chain efficiencies and facilitating distribution and sales growth;

(e) Serving the Company (and/or such affiliate or affiliates of the Company as the Company may from time to time require) in such consulting capacity or capacities as may from time to time be determined by resolution of the Managers of the Company and shall perform such duties and exercise such powers as may from time be determined by resolution of the Managers, as an independent contractor;

(f) Work as needed with lawyers, partners, shareholders and other stakeholders; and

(g) Fulfill all duties expected of the Consultant for a biotechnology/bioscience company and any other duties that should be reasonably expected by and at the pleasure of the Managers.

SCHEDULE "B"

The Remuneration issuable to the Consultant shall consist of the following:

1. the sum of CDN$10,000 plus Goods and Services Tax (GST) per month, payable the last day of each calendar month (the "**Monthly Fee**"), together with any such increments or performance based incentives thereto as the Managers of the Company may from time to time determine. The Consultant has the GST number_____;

2. an annual increase to the Monthly Fee equal to 1.25x the prior calendar rate of inflation as published by the Bank of Canada, beginning January 1, 2020, and on each subsequent anniversary thereafter until the end of the Term; and

3. options entitling the Consultant to purchase voting shares of the Company's publicly listed parent company at a price equal to the market price on the date of issuance of such options, if and as determined appropriate by the Managers upon annual review in January of each year.

The Consultant shall not be entitled to participate in, or receive any benefits from, any employee benefit programs or plans operated by the Company (including without limitation, vacation pay, statutory holidays and health benefits).

EXHIBIT 10.4

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made the 1st day of January, 2019.

BETWEEN:

Lexaria Nicotine LLC, a limited liability company formed under the laws of the State of Delaware and having its office at #100 – 740 McCurdy Road, Kelowna, British Columbia, Canada V1X 2P7

(hereinafter referred to as the "**Company**")

AND:

C.A.B. Financial Services Ltd, a company duly incorporated under the laws of British Columbia and having its office at [**][1]

(hereinafter referred to as the "**Consultant**")

WHEREAS:

A. The Company is a private corporation involved in the research and development of licensed patented technology for use in the nicotine industry ("**Work**").

B. The Consultant has certain specialized skills, which will benefit the Company and its Work.

C. The Company wishes to engage the Consultant to provide to it the services noted in the attached Schedule "A" (the "**Services**") on the terms and conditions hereinafter set forth.

D. The Consultant agrees to provide the Services to the Company on the terms and conditions set out in this Agreement (the "**Agreement**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the covenants and agreements hereinafter contained the parties hereto have agreed as follows:

1. **ENGAGEMENT OF SERVICES**

1.1. The Company hereby engages the Consultant to provide the Services and assist the Company with its Work as an independent contractor to the Company.

1.2. The Consultant hereby represents and warrants to the Company that it and its employees and contractors have the required skills and expertise to perform the duties and exercise the responsibilities required in the performance of the Services.

1.3. The Consultant shall be responsible for ensuring that it and its employees and contractors have an appropriate workplace to conduct the Services and all necessary tools to perform the Services.

1.4. The Consultant understands and agrees that, in the performance of the Services, its and/or its employees and contractors' names and/or likeness may be announced and circulated via public disclosure documents, social media, websites, meetings, appearances and public events of the Company.

[1] Certain information has been redacted: the omitted text sets forth the private residence of the consultant

1.5. The Consultant represents and warrants that neither the Consultant's provision of Services under this Agreement nor any items delivered or provided to the Company in connection with providing the Services under this Agreement will infringe on any patents, copyrights, trademarks, trade secret rights, or other intellectual property rights of any third party. The Consultant additionally represents and warrants that by providing the Services under this Agreement, the Consultant will not breach any other agreement to which the Consultant is a party, including any non-competition or non-solicitation provision that would prevent the Consultant from performing all or part of the Services.

1.6. The Consultant represents and warrants that there are currently no outstanding or anticipated claims or judgments against the Consultant by any person (including any former employee or contractor of the Contractor).

2. TERM

2.1. The term of this Agreement shall be for a period of one (1) year (the "**Term**"), effective as of the 1st day of January, 2019, and will be renewable automatically for further one year terms unless terminated earlier as hereinafter provided (including termination any time before the end of the Term) (the "**Expiration Date**"), subject to the terms and conditions herein. The parties agree to have this agreement apply retroactive to January 1, 2019, even though the agreement is signed after January 1, 2019, for the mutual benefit of both parties.

3. **STANDARD OF PERFORMANCE**

3.1 The Consultant shall perform the Services honestly and in good faith, and in an efficient, prompt, professional, skillful and careful manner in accordance with industry methods, standards and practices. The Consultant shall be free to determine the means and methods of the provision of the Services required under this Agreement, subject however to satisfaction of the Company's reasonable standards in this regard;

3.2 The Consultant shall carry out the Services in a timely manner, and in compliance with all legal, regulatory and stock exchange requirements, as applicable;

3.3 The Consultant reserves the right to refuse any request from the Company which may, in its reasonable opinion, violate any applicable United States of America ("**U.S.A**") or Canadian Federal laws, U.S.A State laws or Canadian Provincial/Territorial laws.

3.4 The Company is aware that during the term of this Agreement, the Consultant and/or its employees or contractors may have and may continue to provide services to other companies and/or have financial or business interests in other companies. The Company agrees that Consultant and/or its employees or contractors may continue to devote time to such outside interests, provided that such interests do not conflict with or hinder Consultant's ability to perform the Services under this Agreement.

3.5 The Consultant shall obtain, at its expense, all licenses, permits and registrations required for it to provide the Services.

4. **NATURE OF RELATIONSHIP**

4.1. The parties acknowledge that the relationship between the Consultant and the Company is that of independent contractors. The Consultant is not an employee, agent or dependent contractor of the Company, nor are the Company and the Consultant partners or joint venturers with each other. Nothing in this Agreement shall be construed as making the Consultant and the Company partners or joint venturers, making the Consultant an employee, agent or dependent contractor of the Company, or imposing any liability as partner, joint venture, principal or agent on the Company or the Consultant, as the case may be. The Consultant shall not use the name of the Company or any of its affiliates in any advertisement, promotional or marketing material.

4.2. The Consultant may provide services for and on behalf of third parties provided that the provision of such services by the Consultant, or employees or contractors of the Consultant who are providing the Services are outside the time such persons are required to be available to provide the Services and do not conflict with the Consultant's responsibilities and obligations to the Company pursuant to this Agreement.

5. **REMUNERATION**

5.1. The Company shall pay the cash remuneration and provide the security consideration (the "**Equity Consideration**") as described in Schedule "B" (collectively, the "**Remuneration**") to the Consultant for the provision of the Services.

5.2. In addition to the Remuneration, the Company shall also reimburse the Consultant, on a monthly basis, for disbursements (the "**Disbursements**") associated with providing the Services upon receipt of an invoice or invoices, or such other documents agreed to by the Company, evidencing the Disbursements. The Disbursements will be limited to the foregoing:

(a) travelling and other costs actually and properly incurred by the Consultant in connection with the Consultant's duties hereunder, up to a maximum of $20,000.00 per month, with such additional costs being subject to pre-approval by the management of the Company prior to any reimbursement. Both parties recognize that, as the financial condition of the Company improves or deteriorates, this amount may be increased or decreased without making changes to this document and without such changes constituting a termination of this Agreement, provided the Company makes the Consultant aware of the changed amount;

(b) specialized training and/or educational costs as authorized by the Company for the enhancement of any Services, up to a maximum of $7,500.00 per year; and

(c) mileage allowance for personal vehicle use at $0.55/km when the Consultant is required to use own vehicle for business purposes.

5.3. It is understood by the Consultant that any Equity Consideration issued by the Company as part of the Remuneration will not be, and has not been, registered under the U.S.A *Securities Act of 1933*, as amended, and may not be offered or sold in the U.S.A absent registration or an applicable exemption from registration requirements. Any Equity Consideration and all related share issuances will be in compliance with all applicable regulations in the U.S.A and Canada. The Equity Consideration issued will be subject to a hold period in Canada of not less than four months and one day, or for any resales possible into the U.S.A under Rule 144, not less than six months and one day. Hold periods may be longer if regulations so stipulate.

6. **CONFIDENTIALITY**

6.1. The Consultant shall not, either during the continuance of its contract hereunder, or at any time thereafter, disclose the private affairs of the Company and/or any affiliate of the Company (an "**Affiliate**"), or any trade secrets or intellectual property of the Company and/or an Affiliate (together or separately and as described below, "**Proprietary Information**"), to any person other than the Managers of the Company or such other persons as authorized in writing by the Managers of the Company and further shall not (either during the continuance of its contract hereunder or at any time thereafter) use for its own purposes or for any purpose other than those of the Company and/or an Affiliate any information it may acquire in relation to the business and affairs of the Company and/or an Affiliate, unless required by law or authorized in writing by the Directors of the Company.

For the purposes of this Agreement, the term "Subsidiary" shall have the meaning ascribed to that term in National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators.

6.2. Proprietary Information as that term is used herein shall include the following:

(a) all knowledge, data and information which the Consultant may acquire from the documents and information disclosed to it by the Company, an Affiliate, their respective employees, attorneys, consultants, independent contractors, clients or representatives whether orally, in written or electronic form, or on electronic media including, by way of example and not by limitation, any products, customer lists, supplier lists, marketing techniques, technical processes, formulae, inventions or discoveries (whether patentable or not), innovations, suggestions, ideas, business models, industrial designs, reports, data, patents, trademarks, trade secrets and copyrights, made or developed by the Company or an Affiliate and related data and information related to the conduct of the business of the Company or an Affiliate;

(b) all discussions with officers, directors, employees, independent contractors, lawyers, consultants, clients, finance sources, customers or representatives of the Company or an Affiliate and the fact that such discussions are taking place; and

(c) for greater certainty, Proprietary Information shall not include matters of general public knowledge, information legally received or obtained by the Consultant from a third party or parties without a duty of confidentiality, and information independently known or developed by the Consultant without the assistance of the Company.

7. **TERMINATION**

7.1. This Agreement may be terminated immediately by the Company or the Consultant without notice or any other obligation (except for the Monthly Fee prorated to the day immediately before such termination) if either party breaches the Agreement. A breach may include, but is not limited to, the following:

(a) The Company or the Consultant shall commit any material breach of any of the provisions herein contained; or

(b) The Company or the Consultant shall be guilty of any misconduct or neglect in the discharge of its duties hereunder; or

(c) The Company or the Consultant shall become bankrupt or make any arrangements or composition with its creditors; or

(d) The Company or the Consultant shall be convicted of any criminal offence other than an offence which, in the reasonable opinion of the Managers of the Company, does not affect the Company's ability to continue to operate or the Consultant's ability to perform the Services, as applicable.

7.2. This Agreement may be terminated by the Consultant at any time for convenience by providing three (3) months' prior written notice.

7.3. This Agreement may be terminated by the Company at any time for convenience by:

(a) providing [**][2] prior written notice; or

(b) providing a lump sum termination break fee payment ("**Termination Break Fee Payment**") to the Consultant in the amount equal to one Monthly Fee (as defined in Schedule "B" to this agreement) plus GST for the Term of the Agreement and for each subsequent year that this Agreement has been renewed.

Provided the Company provides the above notice under 7.3(a) or Termination Break Fee Payment under 7.3(b), the Company shall have no further obligation to the Consultant and its employees and contractors.

7.4. Upon termination or expiration of this Agreement, for any reason, at the request of the Managers of the Company, the Consultant and/or its employees or consultant shall forthwith resign any position or office which it/he then holds with the Company or any Affiliate of the Company. The provisions of sections on Proprietary Information and on confidentiality shall survive the termination or expiration of this Agreement.

7.5. Upon termination or expiration of this Agreement, for any reason, the Consultant must immediately return to the Company all correspondence, information, reports, emails, phone recordings or transcripts, notes, Consultant contact information, and all other materials related to the work performed for the Company including all Proprietary Information during the contract period.

(a) All such materials and information as referred to in section 6.2, above, are the exclusive property of the Company. After returning, transmitting or otherwise sending such information to the Company, Consultant must destroy any and all remaining copy(ies) or records of same.

(b) All such materials and information as referred to in section 6.2 were obtained during the time of the paid contract with the Company, and may not be shown, lent, given, discussed or in any way disclosed with or to any other party as per the terms of the contract. The Proprietary Information Consultant gained or had access to during the period of the contract is the exclusive property of the Company and section 6 of this Agreement, which governs such Proprietary Information, shall survive the termination of this Agreement.

8. **NOTICE**

8.1. Any notice to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered to, or sent by prepaid registered post addressed to, the respective addresses of the parties appearing on the first page of this Agreement (or to such other address as one party provides to the other in a notice given according to this paragraph). Where a notice is given by registered post it shall be conclusively deemed to be given and received on the fifth day after its deposit in a Canada post office any place in Canada.

[2] Certain information has been redacted: the omitted text sets forth the severance payable for termination without cause

8.2. The parties agree that any written notice may be given, in lieu of registered post, by way of email, fax, scan or such other electronic transmission if forwarded to the following contact particulars:

For the Company:

Address: 100 – 740 McCurdy Road, Kelowna, BC V1X 2P7
Email: jdocherty@lexariabioscience.com
Fax: 250-7695-2599

For the Consultant:

Address: [**][3]
Email: cbunka@lexariabioscience.com
Fax: _____

9. **PAYMENT OF TAXES AND OTHER CHARGES, AND INDEMNITY BY CONSULTANT**

9.1. The Consultant shall be solely responsible for and shall indemnify the Company from any and all taxes, governmental charges, interest, penalties and other claims by a government entity or any other person (including current and former employees and contractors of the Consultant) arising out of the Consultant's activities with respect to this Agreement, including, but not limited to, harmonized sales tax, provincial sales tax, income tax, Canada Pension Plan contributions, Employment Insurance premiums, employer health tax, workers compensation contributions and any other taxes and statutory withholdings payable by Consultant and/or that were not withheld, deducted or remitted by the Company on behalf of the Consultant and/or its employees or contractors. The Company shall not be required to make any payment or contribution in respect of taxes payable by the Consultant or its employees or contractors. The Consultant shall maintain records in respect of income taxes, sales tax, employer health tax, employment insurance premiums, Canada Pension Plan and workers compensation contributions relating to the provision of Services hereunder, including for the Consultant's employees and contractors.

9.2. The Consultant shall indemnify and save harmless the Company from and against any and all claims, charges, demands, loss, damages, costs, penalties or expenses arising as a result of (a) the Consultant's failure to provide the Services in a timely fashion, (b) a breach the Consultant's representations, warranties or covenants in this Agreement, (c) death or personal injury caused by the Consultant's negligence or wilful misconduct, (d) physical loss or damage to the Company's property or premises caused by the Consultant's negligence or wilful misconduct, and (e) the Consultant's infringement or violation of the proprietary or intellectual property rights of any third party.

10. **INSURANCE**

10.1. The Consultant assumes all risk and liability for personal injury or damage to personal property in the carrying out of this Agreement and for which adequate levels of insurance coverage is deemed to have been obtained by the Consultant. Without limiting the generality of the foregoing, the Consultant is responsible for automobile insurance in respect of any vehicle used by the Consultant or its employees, and any applicable workers' compensation or other liability insurance.

[3] Certain information has been redacted: the omitted text sets forth the private residence of the consultant

11. **MISCELLANEOUS**

11.1. This Agreement may not be assigned by either party without the prior written consent of the other.

11.2. The titles of headings to the respective paragraphs of this agreement shall be regarded as having been used for reference and convenience only.

11.3. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective directors, officers, heirs, executors, administrators, successors and permitted assigns. For this purpose, the terms "successors" and "assigns" shall include any person, firm or corporation or other entity which at any time, whether by merger, purchase or otherwise, shall acquire all or substantially all of the assets or business of the Company.

11.4. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia, Canada.

11.5. With the exception of any previously granted options or restricted stock, the parties agree that any and all previous agreements, written or oral, entered into between the parties hereto or on their behalf relating to the engagement of the Consultant by the Company are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other party hereto of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such previous agreements.

11.6. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the provisions of this Agreement.

11.7. This Agreement may only be amended by an instrument in writing signed by both parties.

11.8. This Agreement and the obligations of the Company herein are subject to all applicable laws and regulations in force at the local, State/Province, and Federal levels in both Canada and the United States. In the event that there is a dispute between the Company and Consultant, Consultant agrees to allow such dispute to be settled according to applicable Canadian law in an applicable British Columbia jurisdiction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

Lexaria Nicotine LLC

"*John Docherty"*
Authorized Signatory

"*Allan Spissinger*"
Authorized Signatory

C.A.B. Financial Services Ltd.

"Chris Bunka"
Authorized Signatory

SCHEDULE "A"

The Services shall include the following:

(a) Developing and expanding the Company's new and existing product pipeline based on its current proprietary technologies, and implementing new technologies as they become available with a continued focus on improving and optimizing speed and extent of drug delivery and flavour profile;

(b) Maintaining and developing the Company's marketing materials;

(c) Identifying, researching, evaluating and completing transactions for capital raising and/or strategic collaborations with suitable third-parties, all of which create value for the Company;

(d) Assisting in the management and development of the Company's subsidiaries and parent company including day-to-day operations, evaluating and implementing supply chain efficiencies and facilitating distribution and sales growth;

(e) Serving the Company (and/or such subsidiary or subsidiaries of the Company as the Company may from time to time require) in such consulting capacity or capacities as may from time to time be determined by resolution of the Managers or senior management of the Company and shall perform such duties and exercise such powers as may from time be determined by resolution of the Managers, as an independent contractor;

(f) Work as needed with lawyers, partners, shareholders and other stakeholders; and

(g) Fulfill all duties expected of the Consultant for a biotechnology/bioscience company and any other duties that should be reasonably expected by and at the pleasure of the Managers.

SCHEDULE "B"

The Remuneration issuable to the Consultant shall consist of the following:

1. the sum of CDN$5,666.67 plus Goods and Services Tax (GST) per month, payable the last day of each calendar month (the "**Monthly Fee**"), together with any such increments or performance based incentives thereto as the CEO or the Managers of the Company may from time to time determine. The Consultant has the GST number 121887822RT0001;

2. an annual increase to the Monthly Fee equal to 1.25x the prior calendar rate of inflation as published by the Bank of Canada, beginning January 1, 2020, and on each subsequent anniversary thereafter until the end of the Term; and

3. options entitling the Consultant to purchase voting shares of the Company's publicly listed parent company at a price equal to the market price on the date of issuance of such options, if and as determined appropriate by the Managers upon annual review in January of each year.

The Consultant shall not be entitled to participate in, or receive any benefits from, any employee benefit programs or plans operated by the Company (including without limitation, vacation pay, statutory holidays and health benefits).

EXHIBIT 10.5

AMENDING AGREEMENT

This Amending Agreement (this "**Agreement**") dated as of May 15, 2019 (the "**Effective Date**") is made by and between Lexaria Bioscience Corp., a Nevada corporation with offices at 100 – 740 McCurdy Road, Kelowna, British Columbia, V1X 2P7, Canada (the "**Assignor**"), Lexaria CanPharm ULC, a British Columbia company with offices at 100 – 740 McCurdy Road, Kelowna, British Columbia, V1X 2P7 (the "**Licensor**") and Nuka Enterprises, LLC, a Delaware limited liability company with offices at 9690 Dallas St., Henderson, Colorado (together with its successors and assigns the "**LICENSEE**"). LICENSOR and LICENSEE are sometimes referred to individually herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS the Assignor and the LICENSEE entered into an Intellectual Property License Agreement dated April 24, 2018 (the "Original Agreement") whereby the Assignor granted the LICENSEE a license to the Technology as defined in the Original Agreement;

WHEREAS, pursuant to the terms of the Original Agreement, the LICENSEE was granted certain options to expand the Territory, by way of adding Subsequent Territories, and/or the End Products, by way of adding Product Options, as those terms are defined in the Original Agreement;

WHEREAS, the Assignor has granted the LICENSOR a license to the Technology and has further granted the LICENSOR the right to sublicense the Technology;

WHEREAS pursuant to the terms of the Original Agreement, the Assignor has the right to assign the Original Agreement and the related rights and duties of the Assignor without needing the prior consent of the LICENSEE and accordingly, the Assignor has assigned the Original Agreement and the respective rights and duties thereunder of the Assignor to the LICENSOR;

WHEREAS the LICENSEE has provided a notice of an Exercise of License Option for the following Subsequent Territories and Product Options:

Subsequent Territory	Product Option
Michigan	#1 - Any product that is generally recognized as chocolates, chocolate bars, chocolate treats, chocolate truffles, caramels, chocolate caramels, caramel treats, or primarily composed of a form of chocolate or cocoa and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#2 - Any READY TO DRINK consumable liquid products including, but not limited to, cold brew or hot coffee, teas, lemonades, flavored waters, juices, beers, wines, spirits, protein drinks, sport drinks, cocoa drinks, kombuchas, probiotics, energy drinks/shots, vitamin waters, tinctures, dressings, honeys and syrups, flavored sprays for consumption by way of ingestion that are infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#3 - All products that are not Chocolates but are generally recognized as "candies," "gummies and jellies," "suckers," "hard or rock candies," "jelly beans", mints and non-chocolate mint products, etc, that are primarily made with sugar and/or other sweeteners and not generally recognized as a natural food and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC. This category excludes pills, tablets and capsules that are not primarily made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts. This category also excludes any solid tablet or form factor meant to dissolve in a food product, liquid or beverage for purposes of seasoning, flavoring or infusing cannabis oil therein.

Massachusetts	#1 - Any product that is generally recognized as chocolates, chocolate bars, chocolate treats, chocolate truffles, caramels, chocolate caramels, caramel treats, or primarily composed of a form of chocolate or cocoa and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#2 - Any READY TO DRINK consumable liquid products including, but not limited to, cold brew or hot coffee, teas, lemonades, flavored waters, juices, beers, wines, spirits, protein drinks, sport drinks, cocoa drinks, kombuchas, probiotics, energy drinks/shots, vitamin waters, tinctures, dressings, honeys and syrups, flavored sprays for consumption by way of ingestion that are infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#3 - All products that are not Chocolates but are generally recognized as “candies,” “gummies and jellies,” “suckers,” “hard or rock candies,” “jelly beans”, mints and non-chocolate mint products, etc, that are primarily made with sugar and/or other sweeteners and not generally recognized as a natural food and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC. This category excludes pills, tablets and capsules that are not primarily made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts. This category also excludes any solid tablet or form factor meant to dissolve in a food product, liquid or beverage for purposes of seasoning, flavoring or infusing cannabis oil therein.
Illinois	#1 - Any product that is generally recognized as chocolates, chocolate bars, chocolate treats, chocolate truffles, caramels, chocolate caramels, caramel treats, or primarily composed of a form of chocolate or cocoa and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#2 - All products that are not Chocolates but are generally recognized as “candies,” “gummies and jellies,” “suckers,” “hard or rock candies,” “jelly beans”, mints and non-chocolate mint products, etc, that are primarily made with sugar and/or other sweeteners and not generally recognized as a natural food and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC. This category excludes pills, tablets and capsules that are not primarily made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts. This category also excludes any solid tablet or form factor meant to dissolve in a food product, liquid or beverage for purposes of seasoning, flavoring or infusing cannabis oil therein.

Ohio	#1 - Any product that is generally recognized as chocolates, chocolate bars, chocolate treats, chocolate truffles, caramels, chocolate caramels, caramel treats, or primarily composed of a form of chocolate or cocoa and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.
	#2 - All products that are not Chocolates but are generally recognized as "candies," "gummies and jellies," "suckers," "hard or rock candies," "jelly beans", mints and non-chocolate mint products, etc, that are primarily made with sugar and/or other sweeteners and not generally recognized as a natural food and is infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC. This category excludes pills, tablets and capsules that are not primarily made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts. This category also excludes any solid tablet or form factor meant to dissolve in a food product, liquid or beverage for purposes of seasoning, flavoring or infusing cannabis oil therein.
Colorado (Original Territory)	#1 - READY TO DRINK consumable liquid products including, but not limited to, cold brew or hot coffee, teas, lemonades, flavored waters, juices, beers, wines, spirits, protein drinks, sport drinks, cocoa drinks, kombuchas, probiotics, energy drinks/shots, vitamin waters, tinctures, dressings, honeys and syrups, flavored sprays for consumption by way of ingestion that are infused with cannabis oil/isolate or equivalent containing 0.3% or greater THC.

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:

AGREEMENT

1. All capitalized terms contained within this Agreement shall have the same meaning and effect as provided for in the Original Agreement.

2. The Parties agree that all references to LICENSOR in the Original Agreement will be deemed to be references to Lexaria CanPharm ULC and that all address references for LICENSOR shall be deemed to be 100 – 740 McCurdy Road, Kelowna, BC V1X 2P7;

3. Paragraph 2 b. of the Original Agreement is rescinded and shall be replaced in its entirety with the following paragraph 2 b.:

“License Option:

Furthermore, during the life of this Agreement, LICENSOR will reserve one license in each other State in the United States where there is a lawful and regulated adult use or medical cannabis market and in the country of Canada for each product line in Exhibit B for the benefit of LICENSEE to be semi-exclusive in the case of the End Products, to distribute and/or sell End Products in locations compliant with all local and state laws applicable therein both at the time of effecting this Agreement and as laws evolve in America during the life of this Agreement under this option arrangement (the “**License Option**”). Financial terms of the License Option are as disclosed in Exhibit C.

If it chooses to accept a License Option, LICENSEE shall provide notice in writing to the LICENSOR in the form attached hereto as Exhibit E at least thirty (30) calendar days prior to the effective date of the exercise of any License Option (the “**Exercise of License Option**”). License Fees for an Exercise of License Option, shall be in the amount and paid in the manner prescribed by the attached Exhibit C. For territories where a final, semi-exclusive license is the only remaining license available, LICENSOR shall notify LICENSEE that such final license exists, and LICENSEE shall have the option of receiving the final, semi-exclusive license for each Subsequent Territory under this License Option if it accepts the option within sixty (60) days of being notified in writing by LICENSOR. Upon any Exercise of License Option, LICENSOR does hereby agree to extend the license of the Technology to include each state and/or such additional End Products that use the Technology for which LICENSEE has exercised the License Option (an “Extension”) whereby any such Extension will have an expiration date that matches exactly the expiration date of this Agreement (ie: April 2028). Any such Exercise of License Option which occurs prior to September 1, 2023 shall follow to the greatest extent possible the same proportionate appropriate Territory License fees and Usage fees of this Agreement subject to those terms found in Exhibit C below. Any such Exercise of License Option which occurs on or after September 1, 2023 shall be subject to good faith negotiations to determine appropriate fair market value Territory License fees and Usage Fees relative to the then-current market conditions. For the avoidance of doubt, the “then-current market conditions” may include conditions that are less favorable to expansion into any such territory or are less suitable for licensing in which case, the “then-current market conditions” would dictate lower fees than those contemplated in this Agreement and the reverse is also true in which case “then-current market conditions” would dictate higher fees than those contemplated in this Agreement.”

4. Paragraph 2 e) is amended by adding the following words prior to the final period: “with such utilization being governed by a trademark license which is granted concurrently with, and forms part of, this technology license issued by the LICENSOR to the LICENSEE”

5. The following paragraph is added as new paragraph 3 with all such subsequent paragraphs being renumbered and with any and all paragraph references being adjusted to accommodate such renumbering:

“3) **Microfluidizer Option**. In order to assist certain licensees of LICENSOR with respect to the production of End Products that are comprised of Consumable Liquids Products, as more particularly described in Exhibit B, LICENSOR is providing an option whereby LICENSOR will purchase a Microfluidizer for the purposes of combining the Technology with Nanoemulsions and/or Nanodispersions in connection with the production of such Consumable Liquid Products. The LICENSEE may exercise the Microfluidizer Option by initialing the appropriate box on the attached Exhibit F and agreeing to be subject to the terms and conditions set out in the attached Exhibit F.”

6. Exhibit A to the Original Agreement is rescinded and is updated and replaced with the attached Schedule "I" to this Agreement in order to reflect the LICENSOR's current patent portfolio;

7. Exhibit C to the Original Agreement shall be amended by:

   a. replacing the last sentence of paragraph 1 prior the commencement of subparagraphs (a) – (d), with the following:

      "Territory License Fees for Colorado and for each Subsequent Territory that is the subject of an Exercise of License Option shall start on the earlier of: (i) ninety (90) days after the first sale of the first new Product; and (ii) one (1) year after the date that the LICENSEE provides the LICENSOR with an Exercise of License Option and will accrue and be payable as follows:"

   b. replacing paragraph 6 with the following:

      "Beginning on September 1, 2019, the LICENSEE will pay a yearly fee of $37,500, in advance, to validly hold a License Option for any Subsequent Territory that has not been the subject of an Exercise of License Option as of that date, where there is a lawful and regulated adult use or medical cannabis market. The yearly fee, aggregated over time but only applicable to each Subsequent Territory, will be deducted from the applicable Territory License Fee otherwise payable when the LICENSEE exercises the License Option for such Subsequent Territory.

8. Exhibit E be added to the Original Agreement in the form and content attached hereto as Schedule "II";

9. Exhibit F be added to the Original Agreement in the form and content attached hereto as Schedule "III";

10. All other terms and conditions of the Original Agreement shall remain in full force and effect and the Parties hereto agree to be bound by the rights, obligations and liabilities of the Original Agreement, as specifically amended by this Amending Agreement. Further the Parties agree that the Territory License Fees and the Usage Fees as set out in Exhibit C to the Original Agreement shall be payable by the LICENSEE in the manner prescribed in Exhibit C for the Subsequent Territories and Product Options for which LICENSEE has provided its Exercise of License Option.

[The Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement intending to be legally bound as of the date set forth above.

"LICENSOR"
LEXARIA CANPHARM ULC

By: *"John Docherty"*
John Docherty, President

By: *"Chris Bunka"*
Chris Bunka, CEO

"LICENSEE"
NUKA ENTERPRISES, LLC

By: "*Peter Barsoom*"
Peter Barsoom, CEO

"ASSIGNOR"
LEXARIA BIOSCIENCE CORP.

By: *"John Docherty*"
John Docherty, President

By: *"Chris Bunka"*
Chris Bunka, CEO

SCHEDULE "I"

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. Patent Granted No. 10,084,044 B2 awarded September 25, 2018
U.S. Patent Granted No. 10,103,225 B2 awarded October 16, 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
U.S. Patent Pending Application No. 62/659,059
U.S. Patent Pending Application No. 62/658,473
U.S. Patent Pending Application No. 62/689,096
U.S. Patent Pending Application No. 62/730,645

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.
PCT International Patent Application No. PCT/US18/38232.

Multiple National Filings:
Canada, The European Union, China, Japan, Australia, Mexico, and India
Australian Patent Granted No. 2015274698 awarded June 15, 2017
Australian Patents Granted No. 2017203054; 2018202562; 2018202583 awarded August 30, 2018
Australian Divisional Patent Granted No. 2018202584 awarded on January 10, 2019

SCHEDULE "II"

EXHIBIT E

EXERCISE OF LICENSE OPTION NOTICE

TO: LEXARIA CANPHARM ULC ("Licensor")

FROM: NUKA ENTERPRISES, LLC ("Licensee")

RE: EXERCISE OF LICENSE OPTION

Pursuant to the terms of an Intellectual Property License Agreement dated April 24, 2018 as amended May , 2019 (collectively the "Agreement"), the Licensee has the option to extend the license for the Technology granted by the Licensor to certain additional territories (the "Subsequent Territories") or products (the "Product Options") upon thirty (30) days written notice (the "Extension").

The Licensee is providing the Licensor with this Exercise of License Option Notice to effectively provide 30 days written notice that Licensee intends to obtain an Extension for the following Subsequent Territories and/or Product Options:

Subsequent Territory	**Product Options**

Pursuant to the terms and conditions of the Agreement, the Licensee agrees to pay the prescribed Territory License Fees and/or Usage Fees, as applicable, in the prescribed manner, all as more particularly disclosed in Exhibit C to the Agreement.

Dated this _____ day of _____, 20_____.

NUKA ENTERPRISES, LLC

By: _____
Peter Barsoom, CEO

SCHEDULE "III"

EXHIBIT F

MICROFLUIDIZER OPTION

The Microfluidizer Option is available to the LICENSEE provided that:

i. The LICENSEE intends to produce End Products that fit in the category of "Consumable Liquids Products" as more specifically defined in Exhibit "B";

ii. The LICENSEE enters a license agreement with a minimum term of [**][1] years;

iii. The LICENSEE initials the box below acknowledging that the LICENSEE wishes to exercise the Microfluidizer Option and the effective date of such Microfluidizer Option exercise; and

iv. The LICENSEE agrees to be bound by the additional terms and conditions set out under this Exhibit F as if they formed a part of the main Intellectual Property License Agreement with the LICENSOR.

Initial to Confirm Exercise of Microfluidizer Option		By initialing the box to the left of this statement, I, _____being the _____ of the LICENSEE hereby confirm that I have the authority to exercise the Microfluidizer Option and agree, on behalf of the LICENSEE, to be bound by the terms and conditions contained herein. This effective date of the exercise of the Microfluidizer Option is_____ , 20_____ (the "**Effective Date**").

MICROFLUIDIZER OPTION ADDITONAL TERMS AND CONDITIONS

1. Purchase. The LICENSOR shall order **one (1)** Lab Scale LM20 Microfluidizer® processor for High Shear cGMP-Ready Fluid Processing, as manufactured by Microfluidics™, or equivalent, (the "Standard Equipment") for each State contained within the Territory, and any Subsequent Territory that has been added due to an Exercise of License Option, which includes Consumable Liquid Products as an End Product as at the Effective Date (referred to herein as a "Microfluidizer Territory"), provided that concurrently with exercising this Microfluidizer Option the LICENSEE:

   a. advises the LICENSOR of each Microfluidizer Territory for which LICENSEE is exercising this Microfluidizer Option; and

   b. pays the prescribed quarterly payment of the Territory License Fee, as set out in Exhibit C, for each Microfluidizer Territory in which the Microfluidizer Option is being exercised , **regardless of the quarterly payment date prescribed by paragraph 1 (b) or (c), as applicable.**

[1] Certain information has been redacted: the omitted text sets forth a condition for receiving the microfluidizer option

2. Delivery. The LICENSOR shall direct the Standard Equipment or any Upgrade, as defined below, to be delivered to the LICENSEE'S specified lab facility located in a Microfluidizer Territory (each a "Facility").

3. Upgrade of Standard Equipment. The LICENSEE may request an upgrade to the Standard Equipment at the time of exercising the Microfluidizer Option (the "Upgrade"), however such Upgrade will be subject to the additional consideration as noted below, (check boxes as applicable):

Microfluidizer Upgrade	**Additional Consideration Option #1**	**Initial**	**OR: Additional Consideration Option #2**	**Initial**
M110-P for processing Pilot Scale and Small Production Batches or equivalent	2 year increase on Term 0% increase on Usage Fee		0 year increase on Term 1% increase on Usage Fee	
OR				
M-110EH for processing Pilot Scale and Small Production Batches or equivalent	3 year increase on Term 1% increase on Usage Fee		1 year increase on Term 2% increase on Usage Fee	

The Standard Equipment or any Upgrade thereto is referred to herein as the "Equipment" and the provision by the LICENSOR of the Equipment shall be deemed to be a lease for same until the completion of the Term of the Agreement.

4. Delivery and Acceptance: Upon acceptance by LICENSEE of the Equipment at its Facility, which acceptance shall be identified by LICENSEE taking possession of the Equipment, such acceptance shall acknowledge that the Equipment is in good order and new condition and that LICENSEE is satisfied with same and that LICENSOR has made no representation or warranty, expressed or implied, with respect to such item of Equipment. The Equipment is delivered to LICENSEE in an "as is" condition.

5. Set Up: LICENSEE is responsible to pay all costs associated with any Equipment set up including but not limited to engineering, electrical, manufacturer installation and training.

6. Title to Equipment: LICENSOR represents that it owns the Equipment leased herein free and clear of all liens.

7. Use and Right to Equipment: Until the completion of the Term, the LICENSOR shall maintain all right, title and interest in and to the Equipment. In addition, the LICENSOR shall have the right during the Term to access and use the Equipment at the LICENSEE's Facility, upon fourteen (14) calendar days written notice to LICENSEE, for up to two visits in any month with each such visit lasting a minimum of a half-day to a maximum of two (2) business days for the following purposes:

    a. Conduct research, analysis and clinical trials;

    b. Perform formulation work on an anonymous basis for third parties to demonstrate the effectiveness of combining the Equipment with the Technology in the creation of liquid products; and

    c. For such other purposes as the LICENSOR sees fit for the purposes of advancing its Technology and expanding its client base.

    with all such purposes being conducted (i) according to any and all applicable laws and regulations; (ii)in strict privacy; and (iii) under the confidentiality provisions contained in paragraph 8 of this Agreement.

8. Maintenance and Repair: Other than with respect to any maintenance or repairs incurred in connection with or required as a result of LICENSOR'S use of the Equipment as described above, all maintenance and repair costs to the Equipment shall be paid by LICENSEE, and LICENSOR is hereby relieved from any responsibility to maintain or repair said Equipment, all said Equipment being leased in an "as is" condition.

9. Insurance and Risk of Loss: LICENSEE shall acquire and maintain insurance on the Equipment in the amount of at least US$40,000.00 dollars with LICENSOR named as Lost Payee during the Term and shall provide LICENSOR with proof of same.

10. Taxes and Licenses: All taxes, license fees and other expenses associated with the lease of the Equipment shall be paid by LICENSEE.

11. LICENSOR'S Indemnification: LICENSEE shall indemnify, protect and hold harmless the LICENSOR, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatever nature, arising out of the use, condition or operation of any item of Equipment (excluding use or operation by LICENSOR as described below), regardless of where, how and by whom operated. LICENSEE shall assume the settling of, and the defense of any suits or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands and expenses and shall pay all judgments entered in the suit for other legal proceedings. The indemnifications and assumptions of liability and obligation herein provided shall continue in full force and effect notwithstanding the termination of this agreement, whether by expiration of time, by operation of law or otherwise for any such claims made or accruing during the term of this lease.

12. LICENSEE'S Indemnification: LICENSOR shall indemnify, protect and hold harmless the LICENSEE, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatever nature, arising out of LICENSOR'S use or operation of any item of Equipment pursuant to Section 7 of this Exhibit F.

13. Assignment and Sublease: LICENSEE may not assign or sublease the Equipment without the written consent of LICENSOR, which consent shall not be unreasonably withheld.

14. Relocation: Equipment may not be relocated or moved to any other building other than the one it is delivered to by the manufacturer, without express written consent from the LICENSOR, not less than 30 days in advance. Equipment is not readily portable and may not be temporarily transported to any other building even if it is returned to the original building.

15. LICENSEE'S Default: Time is of the essence under this agreement and any of the following events shall constitute defaults on the part of LICENSEE hereunder:

    a. any breach or failure of LICENSEE to observe or perform any of its material obligations under the Agreement;

    b. insolvency of bankruptcy of LICENSEE or assignment for the benefit of creditors;

c. any other act of LICENSEE which will allow LICENSOR to reasonably deem itself insecure in the prospect of payment.

Upon the occurrence of any default LICENSOR may exercise this option with at least five (5) days' notice to the LICENSEE and thereupon all Equipment and rights of LICENSEE therein shall be surrendered unto LICENSOR; upon default, LICENSOR may take possession of the Equipment where found with or without process of law in court, may enter upon the leased premises without liability for suit, action, or other proceedings by LICENSEE and remove same; hold, sell, lease or otherwise dispose of the Equipment or keeping of any of them as LICENSOR so chooses.

16. Purchase Agreement: LICENSEE agrees that on the final date of the Term that it shall purchase the Equipment from the LICENSOR for the purchase price of US$1.00 (the "Purchase Price") which sum shall be payable by the 5th day following the completion of the Term. If LICENSEE fails to purchase the Equipment and pay the Purchase Price pursuant to this paragraph 12, LICENSOR may repossess the Equipment. In the event LICENSEE pays the Purchase Price in accordance with this paragraph 12, LICENSOR shall convey the Equipment unto LICENSEE free and clear of all liens.

INTELLECTUAL PROPERTY LICENSE AGREEMENT

This Intellectual Property License Agreement (this "**Agreement**") dated as of May 15, 2019 (the "**Effective Date**") is made by and between Lexaria Hemp Corp., a US corporation with offices at #100 – 740 McCurdy Road, Kelowna, British Columbia, V1X 2P7, Canada (the "**LICENSOR**"), and Nuka Enterprises, LLC a US corporation with offices at 9690 Dallas St., Henderson, Colorado (together with its successors and assigns the "**LICENSEE**"). LICENSOR and LICENSEE are sometimes referred to individually herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS certain capitalized terms not otherwise defined below are defined in Exhibit "D" herein;

WHEREAS, LICENSEE is, among other things, directly (or indirectly through a Partner, as further contemplated in Section 1.a below) engaged in the business of developing, manufacturing, and selling hemp -derived, cannabidiol ("**CBD**")-infused consumer and/or therapeutic products for human or animal use pursuant to, where applicable, licenses issued by the relevant authorities and the applicable regulations promulgated thereby;

WHEREAS, LICENSOR has been issued a license from its parent company, being the indirect owner of certain intellectual property and technology related to, including but not limited to, the development, testing, and manufacturing process for hemp and/or CBD infused products (the "**Technology**") and further has been issued the right to sublicense the Technology to parties who wish to utilize the Technology with respect to products that incorporate hemp and/or CBD; which Technology is more specifically described in Exhibit A and detailed batch records and formulation calculation spreadsheets that shall be provided by virtual data room ("**VDR**") and/or email upon the execution of this License Agreement, by LICENSOR to LICENSEE;

WHEREAS, LICENSEE wishes to utilize the Technology (which shall include any Licensor's Improvements, as defined in Section 3.c) of LICENSOR, and LICENSOR desires for LICENSEE to utilize the Technology with hemp or other ingredients containing less than 0.30% THC to create, manufacture and/or sell consumable liquid products as of the Effective Date (together or separately, the **"End Products"**), as further described in Exhibit B, subject to the terms and conditions set forth herein. Such End Products shall only be distributed and/or sold by LICENSEE or a Partner, as defined in Section 1.a below, in compliance with all applicable laws and licensing requirements within every jurisdiction 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 "**Permitted Locations**" or "**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 subject to entering a separate licensing agreement or an addendum to this Agreement; 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:

AGREEMENT

1. **License of Technology:** Subject to the terms and conditions of this Agreement, LICENSOR hereby grants to LICENSEE a non-exclusive (as defined in Section 2 below), non-transferable, non-sub-licensable, license to use the Technology to develop, test, make, sell, offer for sale and distribute the End Products during the Term of this Agreement ("**License**"). Notwithstanding the first sentence of this paragraph, LICENSEE is expressly permitted to sub-license the License to a Partner or to Related Entities (all as defined in Exhibit D). Provided also that in the event that a person or entity acquires all of the issued and outstanding shares of LICENSEE, or all or substantially all of the assets of the LICENSEE, the LICENSEE shall be entitled to transfer all of its rights and obligations relating to this Agreement to such person or entity, and such person or entity is entitled to all of the rights and benefits of the LICENSEE under this Agreement solely with respect to LICENSEE branded End Products then being sold or produced by the LICENSEE.

    a) **Non-transferable:** Except as indicated above, the License may not be transferred or sublicensed by LICENSEE without LICENSOR's written consent. However, LICENSEE has the right to sublicense the License to its Related Entities and/or to its Partner(s), without LICENSOR's consent, provided that any sublicense issued by the LICENSEE to a Partner will be limited to one such sublicense in each Permitted Location (as defined in Exhibit D) and the LICENSEE shall designate in writing to LICENSOR the name and address of the Partner for LICENSOR's records. The Partner must agree in writing to all obligations of LICENSEE hereunder using the form provided in Exhibit E hereto, including those relating to confidentiality and non-use regarding both Parties' Confidential Information. In the event that LICENSEE performs one or more of its obligations under this Agreement through any such Partner or Related Entity, then LICENSEE shall at all times be responsible for the performance by such Partner, or Related Entity, of LICENSEE's obligations hereunder.

    b) **Other Products:** The Parties agree that LICENSEE is not limited to production of the End Products defined herein, and that LICENSEE does and may continue to sell other products in the Territory that do not incorporate the Technology. Moreover, LICENSEE may develop, create and test new products and negotiate to obtain a license from the LICENSOR for new products subject to license availability from LICENSOR that are derived from or otherwise incorporate the Technology and such new products are only to be distributed and/or sold to Permitted Locations and only after conditions applicable to a new license are met subject to Section 3 below.

    c) **Active Substances:** Nothing in this Agreement infers applicability of the Technology by LICENSEE for enabling active substance incorporation and potentiation in LICENSEE's End Products, other than those End Products derived from hemp. LICENSEE is prohibited from developing, manufacturing or selling, whether directly or indirectly, including through its Partner, in its Territory, any End Product that is marketed as the following types of products: (i) a fat soluble vitamin product for vitamins A, D, E, and/or K, whether in their natural or synthetic forms, (ii) a Non-Steroidal Anti Inflammatory (NSAID) product which contains acetaminophen, ibuprofen, acetylsalicylic acid, diclofenac, indomethacin, and piroxicam, or substances similar thereto; or (iii) a nicotine or nicotine analog product. Certain cannabinoids are thought to deliver anti-inflammatory benefits which benefits ARE permitted under this Agreement if delivered through the cannabinoids described as the End Products; and are only prohibited if delivered through NSAIDs as described in this Section.

2) **Non-Exclusivity.** LICENSEE will have the following rights to produce and sell the End Products for ten (10) years in the Territory using the Technology licensed pursuant to this Agreement.

   a) **In the Territory:** Non-Exclusive rights from the Effective Date until ten (10) years after the Effective Date, allowing LICENSEE the non-exclusive ability to continue to manufacture the End Products directly or through its Related Entity or Partner in the Permitted Locations within a single Territory for the balance of the term of this Agreement as per Section 4.

   b) **LICENSOR's Products:** LICENSOR shall not be prohibited from licensing or similar arrangements with respect to the Technology. LICENSOR is expressly permitted to utilize its Technology on any basis it chooses, at any time, for producing and commercializing its own products.

   c) **Severance Fee:** LICENSEE may elect to end sales of any or all of the End Products at its sole discretion with a severance fee (**Severance Fee")** set forth in Exhibit C. If LICENSEE elects to end sales of any of the End Products, then any other licensing provision benefits for the LICENSEE with respect to those End Products shall also end at that time. Notwithstanding the foregoing, for a period of 6 months after such election is made, LICENSEE shall be permitted to sell-off those End Products using the Technology in an attempt to sell all finished goods inventories pertaining to the Technology.

   d) **Labels and Advertising for LICENSEE Branded End Products:** The LICENSEE shall be entitled (but not required), subject to applicable law, to place on the label of each LICENSEE branded End Product that uses the Technology and/or on LICENSEE websites and/or social media describing each LICENSEE branded End Product, the Powered by Lexaria Bioscience word trademark and the associated pinwheel & leaf design trademark (the "**Lexaria Trademarks**") in the manner set forth in Exhibit "C".

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 in or to the other Party's products, information, trademarks, copyrights, or other intellectual property rights, either expressly or by implication, estoppel or otherwise.

   a) **LICENSOR Intellectual Property:** LICENSOR, via its license from its parent company, retains its full, absolute, and complete rights to all processes covered or described in all of the issued patents and patent applications filed prior to the date of this Agreement as listed in the attached Exhibit A, 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 or its parent company allows these applications to abandon or lapse, or otherwise fails to protect the Technology. Except as expressly provided 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.

   b) **LICENSEE Intellectual Property**: Any intellectual property belonging to LICENSEE or 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 ("**Licensee 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 or any Related Entity of the LICENSOR, and such associated employees or others acting for LICENSOR's or LICENSOR's Related Entity's behalf shall be owned solely by LICENSOR or such Related Entity of LICENSOR as designated by LICENSOR (in any such case the "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 a Partner, as defined by this Agreement, shall be owned by the LICENSEE ("**Licensee 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 a license renewal after the end of the Term of this Agreement and any renewal terms per Section 4.a. 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, but not the right, 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. For the avoidance of any doubt, 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 neither the LICENSOR nor the LICENSEE (in either such case the "Inventor") will have any obligation to share such information of the invention with the other Party or inform the other Party of said invention, and the Inventor 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 the Inventor.

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 a joint inventor.

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, and the Related Entities of LICENSEE an exclusive, non-sub-licensable, fully-paid, royalty-free, perpetual license to any Jointly Owned IP. Further, LICENSEE grants to LICENSOR and the Related Entities of 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. LICENSOR expressly acknowledges and agrees that all rights in and to any Licensee IP belong exclusively to and shall remain vested in LICENSEE, and LICENSOR shall not assert any rights to the Licensee IP except as otherwise provided in this Agreement.

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 using or incorporating 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.

iii) Should the Licensee use the Lexaria Trademarks, the LICENSOR shall have the right, upon 30 days' written notice to LICENSEE, to require LICENSEE to provide LICENSOR, or LICENSOR's nominee, with a reasonable number of samples of the End Products for inspection or alternatively to allow for LICENSOR, or LICENSOR's nominee, to visit the facility of LICENSEE during normal business hours, and upon reasonable prior notice, for inspection of the End Products, all for the purposes of quality control.

i) Prosecution and Maintenance. LICENSOR, directly or indirectly, shall be solely responsible for, and have control of, preparing, filing, prosecuting, obtaining, and maintaining the Technology (including Provisional Patent Applications and, if any, issued Patents). LICENSOR shall take such actions as it shall deem to be appropriate in its discretion in connection therewith and shall pay all costs and expenses incurred by it in connection with the foregoing activities.

j) Infringement. If either Party learns of, or becomes aware of, any activity by a third party that might constitute an infringement of the other Party's IP rights, , or if any third party asserts that one Party's use of its IP constitutes unauthorized use or infringement, that Party shall so notify the other Party.

k) Enforcement.

i) LICENSOR has the right, directly or indirectly, but not the obligation, to enforce its rights against any third-party infringement and to defend LICENSEE's right to use the Technology. If LICENSOR prosecutes any alleged infringement of the Technology, or defends LICENSEE's right to use the Technology, LICENSOR shall control such litigation and shall bear the expense of such actions. LICENSEE shall make all reasonable efforts to assist LICENSOR therewith, at LICENSOR'S expense, including joining such action as a party plaintiff or providing such evidence and expert assistance as LICENSEE may have within its control, with all costs for such cooperation to be borne by LICENSOR. LICENSOR shall retain the award of any damages in this case. If LICENSOR chooses to not enforce against an alleged infringement, LICENSEE may itself enforce LICENSOR's rights (and its own rights as a Licensee) in the Lexaria Trademarks and/or the Technology, with counsel of its own choosing and with all costs to be borne by LICENSEE. LICENSEE shall retain the award of any damages in this case.

ii) LICENSOR has a reasonable right of examination of LICENSEE financial statements, production records, shipping and warehouse slips and statements no more frequently than once per quarter if and as required to substantiate reported production and sales levels used to determine royalty levels. Any information provided to LICENSEE under this section is provided under strictest confidentiality and is subject to the confidentiality clauses of this Agreement.

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 earlier of either ten (10) years; or, such circumstances as described in Section 4.b. At any time after the ninth 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 undisputed license fees for more than sixty (60) days after they become due; (ii) LICENSEE's violation of the provisions of Sections 7 and 9 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.

ii) This Agreement may be terminated by LICENSEE by written notice to LICENSOR in the event of LICENSOR's violation of Sections 7 or 9 or LICENSOR'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 LICENSEE.

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 continue to distribute and sell End Products until all finished goods and raw materials inventory that pertain to the Technology have 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.

d) Survivability**.** This Agreement in its entirety survives and remains in force if either Party is acquired by any unknown third party. In the event that either Party negotiates any such sale or acquisition, then it shall form a part of any such sale or acquisition agreement, that this Agreement remains binding upon the third party that is the purchaser or acquirer.

e) Change of Control. In the event that Licensee is purchased as to 50.1% or more (a "**Change of Control**") by any entity, unless otherwise agreed in writing by LICENSOR this Agreement remains valid only in relation to those End Products that were in commercial production at the time of Change of Control. This Agreement grants no rights to any third party to utilize the benefits of the Technology for any products other than the End Products described within.

5) Compensation and Payment.

a) In consideration for the license granted to LICENSEE under this Agreement, LICENSEE shall pay LICENSOR certain license fees as set forth in Exhibit C (collectively, the "**License Fee**"). The License Fee for a period shall be paid by LICENSEE to LICENSOR, in U.S. funds, by cheque or wire transfer of immediately available funds pursuant to the bank account identified by LICENSOR in advance of such payment. If LICENSEE materially breaches this Agreement, LICENSEE shall remain responsible for any License Fee payments due through the end of the calendar quarter during which such breach occurs. LICENSEE's failure to pay any portion of the applicable License Fee or any reimbursable expenses when due will be a material breach of this Agreement by LICENSEE. If any payment due to LICENSOR under this Agreement is not paid within thirty (30) days following such Party's written demand therefore, then such payment shall bear interest at the rate of one and one-half percent (1.5%) per month from the date such payment was originally due.

6) Obligations.

a) Obligations of LICENSEE.

i) LICENSEE shall be solely responsible for all costs of producing the End Products, including raw materials and labor. LICENSEE acknowledges and agrees that it is solely responsible as applicable for (i) procurement of hemp extraction machinery, hemp, hemp oils, and other raw materials as required; (ii) compliance with all applicable laws relating to production and sale of hemp products; and (iii) procurement and maintenance of all required licensing and permits and/or operating authorities, including proper zoning of production and distribution facilities.

b) Obligations of LICENSOR.

I) Upon execution of this Agreement, LICENSOR shall make the Technology and any additional documents or materials not yet provided as described in Section 1 otherwise necessary to effectuate the License of the Technology contemplated herein available for LICENSEE.

ii) Upon request by LICENSEE, LICENSOR shall provide LICENSEE with onsite or remote support in connection with LICENSEE's use of the Technology (including Licensor Improvements) during the term of this Agreement, with reasonable travel expenses paid for by LICENSEE.

7) Representations and Warranties.

a) Representations and Warranties of LICENSEE. LICENSEE represents and warrants to LICENSOR as follows:

i) LICENSEE is a limited liability corporation duly organized and in good standing under the laws of Delaware, USA at the time of entering this Agreement;

ii) the execution, delivery and performance of this Agreement by LICENSEE has been duly authorized by LICENSEE and does not violate, conflict with, or require the consent or approval of any third party pursuant to any contract or legally binding obligation to which LICENSEE is subject;

iii) this Agreement constitutes the valid and binding obligation of LICENSEE enforceable against LICENSEE in accordance with its terms;

iv) if LICENSEE is, or may become, knowledgeable of the applicable laws and regulations of the Territory pertaining to the research, manufacture and distribution of the End Products, the use of hemp and CBD in the End Products and the use of the Technology, if any, it confirms that to the best of its knowledge, the LICENSEE is in compliance with such laws and regulations; and

v) before LICENSEE begins to distribute and sell the End Products which use the Technology, LICENSEE will possess all required licenses, permits or operating authorities necessary for its operations and the manufacture and sale of the End Products as hemp and/or CBD products and will use its best efforts to be in compliance with all applicable laws and regulations.

b) Representations and Warranties of LICENSOR. LICENSOR represents and warrants to LICENSEE as follows:

i) LICENSOR is a corporation duly organized and in good standing under the laws of Delaware, USA at the time of entering this Agreement;

ii) the execution, delivery and performance of this Agreement by LICENSOR has been duly authorized by all necessary action on the part of LICENSOR's directors and officers and does not violate, conflict with, or require the consent or approval of any third party pursuant to any state or local law or regulation applicable to LICENSOR or any contract or legally binding obligation to which LICENSOR is subject;

iii) this Agreement constitutes the valid and binding obligation of LICENSOR enforceable against LICENSOR in accordance with its terms; and

iv) the Technology and Licensed Patents are owned by LICENSOR and do not and will not infringe any third-party rights.

8) Reliance. Both Parties acknowledge that they are each relying on the representations and warranties of the other in the provision of services and obligations laid out in this Agreement.

9) **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, each Party undertakes not to use or disclose and to otherwise keep confidential, any trade secrets or proprietary information, including, but not limited to the Technology, each Party's respective IP as defined above, and other intellectual property of the other Party (in each instance, the "**Confidential Information**") except to the extent required to perform each Party's respective obligations under this Agreement. Without limitation of the foregoing, each Party will hold the other Party's 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 such Party would take to safeguard its own confidential or proprietary information, and (b) limit disclosure of the Confidential Information, including any notes, extracts, analyses or materials that would disclose the Confidential Information, solely to those of its employees who need to know the information for purposes of performing the respective Party's obligations under this Agreement and who agree to keep such information confidential. Upon termination of this Agreement, each Party shall immediately return all Confidential Information to the other Party and further the each Party shall have the right to conduct an on-site audit of the other Party within three (3) business days of termination to ensure compliance with the terms of this Agreement, at the auditing Party'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.

10) **Injunctive Relief.** The Parties agree that any material breach of this Agreement by LICENSEE shall cause LICENSOR immeasurable and irreparable harm and LICENSOR shall be entitled to seek immediate injunctive relief from any court of competent jurisdiction, in addition to any other remedies that LICENSOR may have at law or in equity. The Parties further agree any breach of this Agreement by LICENSOR shall cause LICENSEE immeasurable and irreparable harm and LICENSEE shall be entitled to seek immediate injunctive relief from any court of competent jurisdiction, in addition to any other remedies that LICENSEE may have at law or in equity.

11) 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 in connection with its use of the Technology; (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; (ii) LICENSEE's use of the Technology as provided herein; and (iii) any claims of infringement raised by third parties as to the Technology or Licensed Patents.

c) If a Party seeks indemnification (the "**Indemnitee**"), it shall give written notice to the other Party (the "**Indemnitor**") promptly after the Indemnitee becomes aware of the facts giving rise to such claim for indemnification (an "**Indemnified Claim**"), and in any event within 30 days, specifying in reasonable detail the factual basis of the Indemnified Claim and stating the amount of the damages (or if not known, a good faith estimate of the amount of damages).

d) In the event of receipt of notice of an Indemnified Claim arising out of the use of the LICENSOR's Technology, the Indemnitor shall have the right to control and defend such Indemnified Claim, in such manner as it may reasonably deem appropriate. Should the Indemnitor decline to control and defend the Indemnified Claim, the Indemnitee shall have the right to control and defend the Indemnified Claim in such manner as it may deem appropriate. The controlling party shall select counsel, contractors, experts and consultants of recognized standing and competence reasonably acceptable to the other party, shall take reasonable steps necessary in the investigation, defense or settlement thereof, and shall diligently and promptly pursue the resolution thereof. All Parties shall cooperate fully with the Party conducting the defense of any Indemnified Claim.

e) The Party controlling the defense of any Indemnified Claim shall be authorized to consent to a settlement of, or the entry of any judgment arising from, any Indemnified Claims subject to the following provisions. If the Indemnitor is controlling the litigation, Indemnitee must consent to any such settlement, such consent not to be unreasonably withheld. Indemnitee's consent will be deemed unreasonably withheld unless the settlement would encumber any of its assets or contains any restriction or condition that would apply to the Indemnitee or to the conduct of its business. If the Indemnitee is controlling the litigation, it may not enter into a settlement or consent to an entry of judgment with respect to any Indemnified Claim without the express written consent of the Indemnitor, not to be unreasonably withheld.

f) Indemnitor shall be responsible for paying any damages or settlement arising out of an Indemnified Claim. However, in the event Indemnitee pays such damages or settlement, Indemnitor shall fully reimburse Indemnitee within thirty (30) days of Indemnitee making such a payment.

12) 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.

13) **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.

14) **Insurance.** For the period of time required to cover its obligations hereunder, each Party will maintain third party provided insurance in types and amounts customary for the type of business it conducts, and in any event reasonably adequate to cover any liabilities arising out of its obligations hereunder. Further, LICENSEE will maintain product liability insurance reasonably adequate to cover any liabilities arising out of the sale and distribution of End Products. Upon a Party's request, the other Party will provide to the requesting Party a certificate of insurance showing that such insurance is in place, which certificate shall demonstrate the amounts, exclusions and deductibles of such insurance coverage. Each Party shall notify the other Party in writing no less than thirty (30) days prior to the cancellation, termination or modification of the insurance coverage(s) described in the notifying Party's insurance certificate(s). Nothing in this Section shall in any way be construed to limit the liability of a Party under this Agreement.

15) **Compliance with Laws.** In connection with this Agreement, each Party agrees to comply with all applicable laws, statutes and ordinances, if any, of any state, city, provincial, county or local governmental authority and each regulatory body of each jurisdiction in which the Party operates and/or, in the case of LICENSEE, sells End Products, that may be applicable to each Party, its activities under this Agreement or, in the case of LICENSEE, the End Products.

16) **Conformance with Regulations.** The Parties acknowledge and agree that this Agreement, and the licensing of the Technology, is neither intended to convey any ownership interest in LICENSEE to LICENSOR nor grant LICENSOR any control over LICENSEE. In the event that any government body indicates otherwise with regards to this Agreement or any portion thereof, then the Parties shall promptly negotiate in good faith for a period of forty-five (45) days to modify this Agreement in order to conform to any guidance proffered by that authority. In the event the Parties cannot reach an agreement within forty-five (45) days' notice by any authorized government body that this Agreement must be reformed, this Agreement shall terminate pursuant to Section 4 above, and the Parties shall thereafter have no further obligation to each other hereunder.

17) **Employees; Agents; Representatives.** Employees, agents and/or representatives, if any, of either Party, including LICENSEE's Partner, who perform services for either Party pursuant to this Agreement shall also be bound by the relevant provisions of this Agreement.

18) **Relationship of Parties.** The legal relationship of the Parties is exclusively that of licensor and licensee and no employer-employee, principal-agent, partnership, franchise, agency, joint venture or other legal relationship is created by this Agreement. Neither Party shall have the authority to enter into any contracts on behalf of the other Party.

19) **Successors; Assignment; Binding Agreement.** Except as otherwise provided in this Agreement, LICENSEE may not assign or transfer its rights or delegate its obligations under this Agreement without LICENSOR's prior written consent, provided that in the event that a person or entity acquires all of the issued and outstanding shares of LICENSEE, or all or substantially all of the assets of the LICENSEE, the LICENSEE shall be entitled to transfer all of its rights and obligations relating to this Agreement to such person or entity, and such person or entity shall be entitled to all of the rights and benefits of the LICENSEE under this Agreement solely with respect to LICENSEE branded End Products then being sold or produced by, or for, LICENSEE. LICENSOR may freely assign this Agreement or any rights under this Agreement or delegate any duties under this Agreement without LICENSEE's consent provided that the assignee agrees to assume all of LICENSOR's obligations and liabilities hereunder. This Agreement inures to the benefit of, and shall be binding upon, the successors and assigns of the parties to this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their respective successors and permitted assigns.

20) Modifications and Waivers. This Agreement may be amended only by a written agreement signed by both Parties. With regard to any power, remedy or right provided in this Agreement, no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving Party, no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence, and waiver by any Party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

21) Notice. Except as otherwise provided in this Agreement, notices required to be given pursuant to this Agreement shall be effective when received, and shall be sufficient if given in writing, hand-delivered, sent by facsimile with confirmation of receipt, sent by First Class Mail, return receipt requested (for all types of correspondence), postage prepaid, or sent by email, or sent by overnight courier service and addressed as set forth below, or as amended by either Party, respectively, from time to time:

If to LICENSEE:

Nuka Enterprises, LLC

9690 Dallas Street
Henderson, CO 80640
Attn: Peter Barsoom

pbarsoom@nukafoods.com
Fax:

If to LICENSOR:

Lexaria Hemp Corp.

#100-740 McCurdy Rd
Kelowna, BC V1X 2P7 Attn: Chris Bunka
cbunka@lexariabioscience.com
Fax: 250-765-2599

No objection may be made to the manner of delivery of any notice or other communication in writing actually received by a Party.

22) **Entire Agreement.** This Agreement, including the attached Exhibits, constitutes the entire agreement of the Parties hereto relating to the subject matter hereof and there are no written or oral terms or representations made by either Party other than those contained herein.

23) **Publicity.** Without the prior written consent of the other Party, neither Party shall disclose the terms and conditions of this Agreement, except disclosure may be made as is reasonably necessary to the disclosing Party's bankers, attorneys, or accountants or except as may be required by law. The LICENSOR agrees not to use the LICENSEE's corporate name or product names, in any form, in any press release or other publication, without permission from the LICENSEE, except as provided below. The Parties understand and agree that LICENSOR may be compelled by stock exchanges, securities commission regulators or other government authorities to publicly disclose the signing of said License Agreement naming both Parties. If LICENSOR is compelled by stock exchanges, securities commission regulators or other government authorities to publicly disclose the signing of said License Agreement, LICENSOR will share its planned announcement with LICENSEE beforehand for LICENSEE's review and approval, not to be unreasonably withheld or delayed, and it will also ensure that no compromise of the LICENSEE's existing secret processes or intellectual property, nor of LICENSEE`S personal or private information occurs through this announcement.

24) **Expenses.** Each Party to this Agreement shall bear all of its own expenses in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, including without limitation all fees and expenses of its agents, representatives, counsel and accountants.

25) **Governing Law; Jurisdiction.** This Agreement will be governed by, and construed in accordance with the substantive laws of the State of Delaware without giving effect to any choice or conflict of law provision, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted, the parties irrevocably attorn to the jurisdiction of the courts of the State of Delaware to resolve any disputes arising hereunder.

26) **Dispute Resolution.**

a) Mandatory Procedures. The Parties agree that any dispute arising out of or relating to this Agreement shall be resolved to the extent possible by means of the procedures set forth in this Section and that such procedures constitute legally binding obligations that are an essential provision of this Agreement. If either Party fails to observe the procedures of this Section, as may be modified by their written agreement, the other Party may bring an action for specific performance of these procedures in any court in the State of Delaware.

b) Equitable Remedies. Although the procedures specified in this Section are the sole and exclusive procedures for the resolution of disputes arising out of or relating to this Agreement, either Party may seek a preliminary injunction or other provisional equitable relief if, in its reasonable judgment, such action is necessary to avoid irreparable harm to itself or to preserve its rights under this Agreement.

c) Dispute Resolution Procedures.

i) Mediation. In the event any dispute arising out of or relating to this Agreement remains unresolved within sixty (60) days from the date the affected party informed the other party of such dispute, either party may initiate mediation upon written notice to the other party ("**Notice Date**"), the parties shall be obligated to engage in a mediation proceeding under the then current Center for Public Resources ("**CPR**") Model Procedure for Mediation of Business Disputes (www.cpradr.org), except that specific provisions of this Article shall override inconsistent provisions of the CPR Model Procedure. The mediator will be selected from the CPR Panels of Neutrals. If the parties cannot agree upon the selection of a mediator within fifteen (15) business days after the Notice Date, then upon the request of either party, the CPR shall appoint the mediator. The parties shall attempt to resolve the dispute through mediation until the first of the following occurs: (i) the parties reach a written settlement, (ii) the mediator notifies the parties in writing that they have reached an impasse, (iii) the parties agree in writing that they have reached an impasse, or (iv) the parties have not reached a settlement within sixty (60) days after the Notice Date.

ii) Failure to Mediate. If the Parties fail to resolve the dispute through mediation, each Party shall have the right to pursue any other remedies legally available to resolve the dispute, including by way of arbitration or litigation.

d) Performance to Continue. Each Party shall continue to perform its undisputed obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement; provided, however, that a Party may suspend performance of its undisputed obligations during any period in which the other Party fails or refuses to perform its undisputed obligations. Nothing in this Section is intended to relieve LICENSEE from its obligation to make undisputed payments pursuant to Section 5 of this Agreement.

27) Attorneys' Fees. In the event of any dispute between the parties arising out of this Agreement, the prevailing Party shall be entitled, in addition to any other rights and remedies it may have, to recover its reasonable attorneys' fees and costs.

28) No Interpretation Against Drafter. Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal and tax counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Agreement will be construed fairly as to all Parties and not in favor of or against any Party. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause.

29) Headings. The headings of Sections are provided for convenience only and will not affect the construction or interpretation of this Agreement.

30) Force Majeure. Neither Party shall be liable for any delay or failure to perform its obligations in this Agreement if such delay or failure to perform is due to any cause or condition reasonably beyond that Party's control, including, but not limited to, acts of God, war, government intervention, riot, embargoes, acts of civil or military authorities, earthquakes, fire, flood, accident, strikes, inability to secure transportation, facilities, fuel, energy, labor or materials.

31) Survival. In addition to LICENSEE's obligation to pay LICENSOR all amounts due hereunder, the Parties obligations under this Agreement shall survive expiration or termination of the Agreement only as expressly provided herein

32) Invalidity. The invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement which shall remain in full force and effect.

33) Severability. If any terms or provisions of this Agreement shall be found to be illegal or unenforceable, notwithstanding, this Agreement shall remain in full force and effect and such terms or provisions shall be deemed stricken.

34) Further Assurances. Upon a Party's reasonable request, the other Party shall, at requester's sole cost and expense, execute and deliver all further documents and instruments, and take all further acts, as are reasonably necessary to give full effect to this Agreement.

35) Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement intending to be legally bound as of the date set forth above.

"LICENSOR"
LEXARIA HEMP CORP.

By: ____*"John Docherty"*_____
John Docherty, President

By: ___*"Chris Bunka"*_____
Chris Bunka, CEO

"LICENSEE"
NUKA ENTERPRISES, LLC

By: ___*"Peter Barsoom"*_____
Peter Barsoom, CEO

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. Patent Granted No. 10,084,044 B2 awarded September 25, 2018
U.S. Patent Granted No. 10,103,225 B2 awarded October 16, 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
U.S. Patent Pending Application No. 62/659,059
U.S. Patent Pending Application No. 62/658,473
U.S. Patent Pending Application No. 62/689,096
U.S. Patent Pending Application No. 62/730,645

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.
PCT International Patent Application No. PCT/US18/38232.

Multiple National Filings:
Canada, The European Union, China, Japan, Australia, Mexico, and India
Australian Patent Granted No. 2015274698 awarded June 15, 2017
Australian Patents Granted No. 2017203054; 2018202562; 2018202583 awarded August 30, 2018
Australian Divisional Patent Granted No. 2018202584 awarded on January 10, 2019

EXHIBIT B: END PRODUCT CATEGORIES

Product Line Name	**Annual Territory License Fee: US$ Per Year For 10 Years**	**Product Line Description**
Consumable Liquids Products	[**][1]/ year USA Non-Exclusive	Any READY TO DRINK consumable liquid products including, but not limited to, cold brew or hot coffee, teas, lemonades, flavored waters, juices, beers, wines, spirits, protein drinks, sport drinks, cocoa drinks, kombuchas, probiotics, energy drinks/shots, vitamin waters, tinctures, dressings, honeys and syrups, flavored sprays for consumption by way of ingestion that are infused with hemp oil/isolate or equivalent containing less than 0.30% THC.
Trademark License	[**][2]	Use of the Lexaria Trademarks on the End Products in the Territory and the right to access the clinical data from Lexaria Bioscience Corp.'s 2018 randomized, placebo-controlled, double-blinded European human clinical study, and/or any future studies Lexaria Bioscience Corp may perform or commission, regarding the effectiveness of the Technology on CBD absorption rates and associated cardiovascular benefits and any additional experimental trial findings made by Lexaria Bioscience Corp. (the "Clinical Studies"). HOWEVER, NO RIGHT IS GIVEN FOR THE LICENSEE TO REFERENCE, CITE OR REPRODUCE THE CLINICAL STUDIES WITHOUT THE EXPRESS WRITTEN CONSENT OF THE LICENSOR OR LEXARIA BIOSCIENCE CORP.

[1] Certain information has been redacted: the omitted text sets forth the annual territory fee.

[2] Certain information has been redacted: the omitted text sets forth the trademark license fee.

Future Option: Optional Products for License as End Products

Product Line Name	Annual Territory License Fee: US$ Per Year For XX Years	Product Line Description
Chocolate Products	$XX,XXX Non-Exclusive	Any product that is generally recognized as chocolates, chocolate bars, chocolate treats, chocolate truffles, caramels, chocolate caramels, caramel treats, or primarily composed of a form of chocolate or cocoa and is infused with hemp oil/isolate or equivalent containing less than 0.30% THC.
Candies	$XX,XXX Non-Exclusive	All products that are not Chocolates but are generally recognized as “candies,” “gummies and jellies,” “suckers,” “hard or rock candies,” “jelly beans”, mints and non-chocolate mint products, etc., that are primarily made with sugar and/or other sweeteners and not generally recognized as a natural food and is infused with hemp oil/isolate or equivalent containing less than 0.30% THC. This category excludes pills, tablets and capsules that are not primarily made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts.
Capsules, Pills, Tablets and Melts	$XX,XXX Non-Exclusive	Any product recognized as tablets, pills, capsules, gel-caps and other similar formulations that are infused with hemp oil/isolate or equivalent containing less than 0.30% THC that utilizes the Technology and primarily not made with sugar and/or other sweeteners, that are generally recognized as vitamins, supplements, medicines, sublingual or rapidly dissolving mouth-melts. EXCLUDED is any form of solid tablet or loose powder form factor meant to dissolve in a food product, liquid or beverage for purposes of seasoning, flavouring or infusing another product.
Baked Goods	$XX,XXX Non-Exclusive	Items that are generally mixed in a semi-liquid or dough or batter form and then baked in an oven such as brownies, breads, cakes, cookies, squares, granola bars, muffins and is infused with hemp oil/isolate or equivalent containing less than 0.30% THC.

Other Edible Products	$XX,XXX Non-Exclusive	Any powdered-format MIX AND SERVE beverage such as dried teas, coffee, hot chocolate, iced-teas and similar; and other ingestible product or food such as powders, cereals, sauces, dips, creams, spreadables, essential oils, olive oils, flavored concentrates, condiments that are infused with cannabis oils that utilizes the Technology. Culinary products or otherwise and any item not otherwise referred to above that is chewed and/or swallowed and primarily absorbed via the gastro-intestinal system that is infused with hemp oil/isolate or equivalent containing less than 0.30% THC.
Topical Skin Products	$XX,XXX Non-Exclusive	Any cream, oil, salve or similar consumer product designed to be delivered to and through human skin that is infused with hemp oil/isolate or equivalent containing less than 0.30% THC.
	Discounts	Any two categories – discount 10% on each. Any three categories – discount 15% on each. Any four or more categories – discount 20% on each.

EXHIBIT C

LICENSE FEE

Upon execution of this Agreement, LICENSEE shall pay to LICENSOR the License Fee as set forth below. The License Fee shall be paid in accordance with Section 5 of this Agreement.

(a) **Territory License Fee.** LICENSEE agrees to pay to LICENSOR an annual license fee of [**] per year per product category, subject to any applicable discount, for access to use the Technology everywhere in the Territory for each year of this 10-year Term of this Agreement (" **Territory License Fee**"). The Territory License Fee shall be paid as follows: [**][3] thereafter for so long as this Agreement remains in effect. The Territory License Fee is repeated for each of the product categories as identified in Exhibit B, manufactured or sold by the Licensee during each of the three-month periods. The Territory License Fee is NOT due and not paid for each of the product categories as identified in Exhibit B, NOT manufactured or sold by the Licensee during each of the three-month periods.

(b) **Usage Fee.** For all End Products sold in the Territory, as LICENSEE branded End Products, LICENSEE agrees to pay quarterly to LICENSOR a usage fee during the life of the Agreement of [**]% of the net COGS of End Products sold as determined by LICENSEE and as defined in Exhibit D in the Territory if LICENSEE sells at wholesale, including sales to Related Entities; or [**]% of full retail price if LICENSEE sells at the top line FOB pricing to end user customers (the "**Usage License Fee**"). LICENSEE agrees to pay the Usage License Fee for each product sold utilizing the Technology. [4]

(c) **Severance Fee, if applicable.** A Usage License Fee shall be paid for each End Product that is then in production and being sold, unless otherwise agreed to by the Parties. As provided for in Section 2(c), LICENSEE may elect to end sales of an End Product at its sole discretion contingent upon payment of a severance fee ("**Severance Fee")** due within thirty (30) days of LICENSEE'S notice to LICENSOR that it is ending sales of such End Product (the "Severance Notice"), which is equal to the Usage License Fees paid during the six months prior to the Severance Notice, plus all Territory License Fees due in the six (6) months immediately following the date of the Severance Notice. If LICENSEE elects to end sales of any End Product, then all licensing provision benefits with that End Product also end immediately.

_____

[3] Certain information has been redacted: the omitted text sets forth the payment schedule of the territory license fee

[4] Certain information has been redacted: the omitted text sets forth the usage fee percentages.

(d) **Audit Rights.** Upon at least thirty (30) days' written notice, LICENSOR shall have the right, through an independent, certified accounting firm, to examine such records and books of account of LICENSEE as are necessary to verify the accuracy of the Usage License Fee and other payments of LICENSEE under this Agreement. Such right may be exercised only once during any twelve (12) month period. Such examination may be performed during normal business hours at LICENSEE'S major place of business or at such other place as may be agreed upon by the LICENSOR and LICENSEE. The accounting firm may make abstracts or copies of such books of account solely for its use in performing the examination. LICENSOR will require, prior to any such examination, such accounting firm to agree in writing that such firm will maintain all information, abstracts, and copies acquired during such examination in strict confidence and will not make any use of such material other than to confirm to LICENSOR the accuracy of LICENSEE payments hereunder. If an inspection of LICENSEE'S records by the accountant of LICENSOR shows that LICENSEE has paid more than required under this Agreement, any excess amounts will, at LICENSEE'S option, be promptly refunded or credited against future Usage License Fees. If an inspection of LICENSEE'S records by the accountant of LICENSOR shows that LICENSEE shows an under-reporting or underpayment by LICENSEE of any amount to LICENSOR, by more than one percent (1%) and less than five percent (5%) for any twelve (12) month period, any excess amounts will, at LICENSOR's option, be promptly paid or debited against future Usage License Fees. However, if an inspection of LICENSEE'S records shows an under-reporting or underpayment by LICENSEE of any amount to LICENSOR, by more than five percent (5%) for any twelve (12) month period, then LICENSEE will reimburse LICENSOR for the reasonable cost of the inspection as well as pay to LICENSOR any amount found due within thirty (30) days of receipt of the results of such inspection.

(e) Trademark License Fee: The Trademark Licensee Fee is [**]% and allows (but does not require) the use of the POWERED BY LEXARIA BIOSCIENCE word trademark and the associated pinwheel & leaf design trademark to be placed on the End Products, in the following manner, in a type size large enough to be readable by persons with average vision:

Additionally, Licensee shall have the right to access the clinical data from Lexaria Bioscience Corp.'s 2018 randomized, placebo-controlled, double-blinded European human clinical study regarding the effectiveness of the Technology on CBD absorption rates and associated cardiovascular benefits and any additional experimental trial findings made by Lexaria Bioscience Corp. (the "Clinical Studies"). HOWEVER, NO RIGHT IS GIVEN FOR THE LICENSEE TO REFERENCE, CITE OR REPRODUCE THE CLINICAL STUDIES WITHOUT THE EXPRESS WRITTEN CONSENT OF THE LICENSOR OR LEXARIA BIOSCIENCE CORP.

[5] Certain information has been redacted: the omitted text sets forth the trademark license fee.

EXHIBIT D

CERTAIN DEFINITIONS

"**Nuka**" means the LICENSEE and any parent, any Subsidiary, or any of its Related Entities;

"**Net Cost of goods Sold**" means the gross material cost, manufacturing costs, manufacturing overhead, transportation, freight, postage and insurance of the LICENSEE for the manufacture and transport of LICENSEE branded End Products shipped to customers, to the extent that such amounts are not charged to the customers less (a) all trade, quantity, and cash discounts allowed; (b) taxes duties, tariffs, or other governmental charges imposed on such LICENSEE branded End Products, including but not limited to value added taxes or other governmental charges otherwise measured by the amount paid for the LICENSEE branded End Products, but specifically excluding taxes based on the net income of the seller.

EXAMPLE ONLY:

"$8.00 wholesale price"

Hemp oil cost	$1.50
Testing cost	$0.75
Packaging	$0.90
Ingredients	$0.40
Minus: Active botanical ingredients	($0.15)
Mnfg labor	$0.32
Pkg labor	$0.18
Transportation	$0.05
Net Cost of Goods Sold Total	**$3.95**
Lexaria 50%	$1.98

"**Partner**" means a Related Entity or any Person who either directly resells LICENSEE'S products or manufactures products based on LICENSEE's technology under the direction of the LICENSEE and whose use of the Technology pursuant to a sublicense will be strictly for facilitating the LICENSEE's rights and obligations under the Agreement.

"**Permitted Location**" retails stores, cities, districts, regions, municipalities and/or townships, located within the Territory.

"**Person**" means any natural person, sole proprietorship, partnership, corporation, trust, joint venture, any governmental authority or any incorporated or unincorporated entity or association of any nature.

"**Related Entity**" means, with respect to a body corporate: (i) a Subsidiary of the body corporate, including a Subsidiary of a Subsidiary of the body corporate; or (ii) a Person that controls, directly or indirectly, the body corporate; or (ii) a Person that is controlled by the same Person that controls such body corporate.

"**Subsidiary**" means a corporation that is controlled directly or indirectly by another corporation.

"Territory" means the United States of America.

EXHIBIT E

PARTNER OBLIGATIONS FORM

<<< Insert Name >>> (the "PARTNER") agrees in writing to all obligations of Nuka Enterprises, LLC (the "LICENSEE") as listed hereunder, including those relating to confidentiality and non-use regarding Confidential Information of both LICENSEE and LEXARIA HEMP CORP.(the "LICENSOR"). The PARTNER is prohibited from utilizing the formulation methodologies, techniques, specified ingredients therewith and processes accompanying this agreement and/or listed in Exhibit A of the Intellectual Property License Agreement effected between the LICENSEE and the LICENSOR, (together or individually, the "Technology") in any form whatever that is not directly related to the production/sale of the specified LICENSEE's End Products and may not use the Technology for any other purpose unless authorized in writing from the LICENSOR, in advance.

1. 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 herein, nothing in this Agreement or in the conduct of the LICENSEE or LICENSOR 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.

2. 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 ("**Licensee IP**").

3. 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**").

4. 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 (" **Licensee 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. 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.

5. 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.

6. 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.

7. Improvements Confidential Information. All Improvements shall constitute Confidential Information and shall be subject to the confidentiality provisions set forth in this Agreement.

8. Upon making any invention that does *not* include or rely upon the Technology neither the LICENSOR nor the LICENSEE (in either such case the "Inventor") will have any obligation to share such information of the invention with the other Party or inform the other Party of said invention, and the Inventor 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 the Inventor.

9. If any patent applications are filed seeking to protect any Joint Improvements ("**Jointly Owned IP**"), each of LICENSEE and LICENSOR shall be named as joint inventors.

10. 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.

11. 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. 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.

12. At all times during the term of this Agreement (including any renewal term) and thereafter, each Party undertakes not use or disclose and to otherwise keep confidential, any trade secrets or proprietary information, including, but not limited to the Technology and other intellectual property of the other Party (in each instance, the "**Confidential Information**") except to the extent required to perform each Party's respective obligations under this Agreement. Without limitation of the foregoing, each Party will hold the other Party's 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 such Party would take to safeguard its own confidential or proprietary information, and (b) limit disclosure of the Confidential Information, including any notes, extracts, analyses or materials that would disclose the Confidential Information, solely to those of its employees who need to know the information for purposes of performing the respective Party's obligations under this Agreement and who agree to keep such information confidential. Upon termination of this Agreement, each Party shall immediately return all Confidential Information to the other Party and further the 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.

13. 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

14. Employees, agents and/or representatives, if any, of either party, including LICENSEE's PARTNER, who perform services for either party pursuant to this Agreement shall also be bound by the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement intending to be legally bound as of _____ _____, _____.

"LICENCEE"
NUKA ENTERPRISES, LLC

By: _____
<<< Insert Signatory Name >>>

"LICENSOR"
LEXARIA HEMP CORP.

By: _____
<<< Insert Signatory Name >>>

"PARTNER"
<<< Insert Name >>>

By: _____
<<< Insert Signatory Name >>>