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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **February 29, 2024**

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 **000-52138**

LEXARIA BIOSCIENCE CORP.

(Exact name of registrant as specified in its charter)

Nevada	**20-2000871**
(State or other jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
#100 – 740 McCurdy Road, Kelowna BC Canada	**V1X 2P7**
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone number, including area code: **1.250.765.6424**

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.001	LEXX	The NASDAQStock Market LLC
Warrants	LEXXW	The NASDAQ Stock Market LLC

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 last 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 files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by a 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 ☒

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

12,885,673 common shares as of April 9, 2024

DOCUMENTS INCORPORATED BY REFERENCE
None.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars except share amounts)
(Unaudited)

	February 29, 2024	August 31, 2023
ASSETS		
Current		
Cash	$ 4,705,399	$ 1,352,102
Marketable securities	87,699	125,642
Accounts receivable	357,090	126,686
Prepaid expenses and other current assets	266,796	546,783
Total Current Assets	**5,416,984**	**2,151,213**
Non-current assets, net		
Long-term receivables	39,494	48,559
Right-of-use assets	149,997	167,446
Intellectual property, net	519,253	462,625
Property and equipment, net	226,315	254,143
Total Non-current Assets	**935,059**	**932,773**
TOTAL ASSETS	**$ 6,352,043**	**$ 3,083,986**
LIABILITIES and STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 55,318	$ 239,941
Lease liability, current	26,399	27,794
Total Current Liabilities	**81,717**	**267,735**
Lease Liabilities - Non-current	**122,486**	**136,173**
TOTAL LIABILITIES	**$ 204,203**	**$ 403,908**
Stockholders' Equity		
Share Capital		
Authorized: 220,000,000 common voting shares with a par value of $0.001 per share		
Common shares issued and outstanding: 12,387,673 and 8,091,650 at February 29, 2024 and August 31, 2023, respectively	$ 12,388	$ 8,091
Additional paid-in capital	54,121,316	48,799,454
Accumulated deficit	(47,592,289)	(45,763,427)
Accumulated other comprehensive loss	(20,626)	-
Equity attributable to shareholders of Lexaria	6,520,789	3,044,118
Non-controlling interest	(372,949)	(364,040)
Total Stockholders' Equity	**6,147,840**	**2,680,078**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 6,352,043**	**$ 3,083,986**

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars except share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Revenue	$ 145,000	$ 20,025	$ 296,278	$ 117,760
Cost of goods sold	-	2,958	4,822	18,753
Gross profit	145,000	17,067	291,456	99,007
Operating expenses				
Research and development	245,779	696,178	820,270	1,525,667
General and administrative	567,226	644,514	1,278,333	1,592,384
Total operating expenses	813,005	1,340,692	2,098,603	3,118,051
Loss from operations	(668,005)	(1,323,625)	(1,807,147)	(3,019,044)
Other income (loss)				
Interest income (expense)	(1)	14,990	7,318	18,731
Unrealized gain (loss) on marketable securities	15,273	(2,003)	(37,942)	(79,631)
Total other income (loss)	15,272	12,987	(30,624)	(60,900)
Net loss	$ (652,733)	$ (1,310,638)	$ (1,837,771)	$ (3,079,944)
Less: Net loss attributable to non-controlling interest	(3,194)	(12,507)	(8,909)	(25,869)
Net loss attributable to Lexaria shareholders	$ (649,539)	$ (1,298,131)	$ (1,828,862)	$ (3,054,075)
Other comprehensive loss				
Foreign currency translation adjustment	(24,998)	-	(20,626)	-
Total comprehensive loss	$ (674,537)	$ (1,298,131)	$ (1,849,488)	$ (3,054,075)
Basic and diluted loss per share	$ (0.06)	$ (0.22)	$ (0.18)	$ (0.52)
Weighted average number of common shares outstanding - Basic and diluted	10,765,143	5,950,998	9,970,489	5,950,998

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended February 29, 2024 and February 28, 2023
(Expressed in US Dollars)
(Unaudited)

	February 29, 2024	February 28, 2023
Cash flows used in operating activities		
Net loss	$ (1,837,771)	$ (3,079,944)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	53,953	79,302
Depreciation and amortization	44,709	49,459
Impairment loss	23,507	-
Noncash lease expense	17,449	20,397
Unrealized loss on marketable securities	37,942	79,631
Lease accretion	2,840	(511)
Change in operating assets and liabilities		
Accounts receivable	(230,404)	64,988
Inventory	-	33,713
Prepaid expenses and deposits	279,987	257,170
Accounts payable and accrued liabilities	(184,622)	38,327
Long-term receivables	9,065	-
Operating lease liability	(17,922)	(20,397)
Deferred revenue	-	4,275
Net cash used in operating activities	**(1,801,267)**	**(2,473,590)**
Cash flows used in investing activities		
Additions in intellectual property	(97,016)	(33,778)
Purchase of equipment	-	(33,748)
Net cash used in investing activities	**(97,016)**	**(67,526)**
Cash flows from financing activities		
Proceeds from shares sold for cash	4,208,731	-
Proceeds from exercise of warrants	1,063,475	-
Net cash from financing activities	**5,272,206**	**-**
Effect of exchange rate changes on cash	**(20,626)**	
Net change in cash for the period	**3,353,297**	**(2,541,116)**
Cash at beginning of period	**1,352,102**	**5,813,218**
Cash at end of period	**$ 4,705,399**	**$ 3,272,102**

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Six Months Ended February 29, 2024, and February 28, 2023
(Expressed in US Dollars except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in		Accumulated Other Comprehensive	Non-controlling	Total Stockholders
	Shares	Amount	Capital	Deficit	Income (Loss)	Interest	Equity
Balance August 31, 2023	**8,091,650**	**$ 8,091**	**$ 48,799,454**	**$ (45,763,427)**	**-**	**$ (364,040)**	**$ 2,680,078**
Stock issued in equity offering	889,272	889	1,246,829	-	-	-	1,247,718
Stock issued from exercise of warrants	1,330,719	1,331	570,320	-	-	-	571,651
Foreign currency translation adjustment	-	-	-	-	4,372	-	4,372
Stock-based compensation	-	-	53,953	-	-	-	53,953
Net loss	-	-	-	(1,179,323)	-	-	(1,179,323)
Non-controlling interest	-	-	-	-	-	(5,715)	(5,715)
Balance November 30, 2023	**10,311,641**	**$ 10,311**	**$ 50,670,556**	**$ (46,942,750)**	**$ 4,372**	**$ (369,755)**	**$ 3,372,734**
Stock issued in equity offering	1,444,741	1,445	2,959,568	-	-	-	2,961,013
Stock issued from exercise of warrants	631,291	632	491,192	-	-	-	491,824
Foreign currency translation adjustment	-	-	-	-	(24,998)	-	(24,998)
Net loss	-	-	-	(649,539)	-	-	(649,539)
Non-controlling interest	-	-	-	-	-	(3,194)	(3,194)
Balance February 29, 2024	**12,387,673**	**$ 12,388**	**$ 54,121,316**	**$ (47,592,289)**	**$ (20,626)**	**$ (372,949)**	**$ 6,147,840**
Balance August 31, 2022	**5,950,998**	**$ 5,951**	**$ 47,041,481**	**$ (39,098,528)**	**$ -**	**$ (316,414)**	**$ 7,632,490**
Stock-based compensation	-	-	68,776	-	-	-	68,776
Net loss	-	-	-	(1,755,944)	-	-	(1,755,944)
Non-controlling interest	-	-	-	-	-	(13,362)	(13,362)
Balance November 30, 2022	**5,950,998**	**$ 5,951**	**$ 47,110,257**	**$ (40,854,472)**	**$ -**	**$ (329,776)**	**$ 5,931,960**
Shares issued for services	-	-	10,526	-	-	-	10,526
Net loss	-	-	-	(1,298,131)	-	-	(1,298,131)
Non-controlling interest	-	-	-	-	-	(12,507)	(12,507)
Balance February 28, 2023	**5,950,998**	**$ 5,951**	**$ 47,120,783**	**$ (42,152,603)**	**$ -**	**$ (342,283)**	**$ 4,631,848**

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

LEXARIA BIOSCIENCE CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 29, 2024
(Expressed in U.S. Dollars Except Share Amounts)
(Unaudited)

1. Nature of Business

Lexaria Bioscience Corp. ("Lexaria", "we", "our" or "the Company") is a biotechnology company pursuing the enhancement of the bioavailability of a diverse and broad range of active pharmaceutical ingredients ("API") using DehydraTECH™, our patented proprietary drug delivery technology.

Revenues are generated from licensing contracts for the Company's patented DehydraTECH technology based on the terms of use and defined geographic and licencing arrangements. We derive income from our third party contracted manufacturing of B2B DehydraTECH enhanced products made to customer specifications that are sold online and in-store in the US and Canada. We also perform contract services in R&D for customer specific formulations that are used in comparison testing to customers' existing products.

Liquidity and Going Concern

The Company's consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and in accordance with accounting principles generally accepted in the United States ("US GAAP") applicable to a going concern, which assumes the Company will have sufficient funds to meet its financial obligations for a period of at least 12 months from the date of this report.

Since inception, the Company has incurred significant operating and net losses. Net losses attributable to shareholders were $1.8 million and $3.1 million for the six months ended February 29, 2024, and February 28, 2023, respectively. As of February 29, 2024, we had an accumulated deficit of $ 47.6 million. We expect to continue to incur significant operational expenses and net losses in the upcoming 12 months. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the stage and complexity of our research and development (R&D) studies and corporate expenditures, additional revenues received from the licensing of our technology, if any, and the receipt of payments under any current or future collaborations we may enter into. The recurring losses and negative net cash flows raise substantial doubt as to the Company's ability to continue as a going concern.

During the six months ended February 29, 2024, the Company has completed the following:

- Entered into Securities Purchase Agreements whereby on February 16, 2024, the Company issued 1,444,741 shares of common stock and 113,702 pre-funded warrants in a registered direct offering. The Company also sold to investors, warrants to purchase up to 1,558,443 shares of common stock. The combined effective offering price for each share of common stock and accompanying warrant was $2.31. The warrants will expire five years from the issuance date, and have an exercise price of $2.185 per share. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 54,546 shares of common stock. The warrants will expire five years from the issuance date, and have an exercise price of $2.8875 per share. The net proceeds to the Company from the registered direct offering was $3.0 million, after deducting placement agent fees and other offering expenses paid by the Company.

- Entered into a Securities Purchase Agreement whereby on October 3, 2023, the Company issued, to a single healthcare-focused institutional investor, 889,272 shares of common stock and 729,058 pre-funded warrants in a registered direct offering. In a concurrent private placement, the Company also agreed to issue and sell to the investor, warrants to purchase up to 1,618,330 shares of common stock. The combined effective offering price for each share of common stock (or pre-funded warrant in lieu thereof) and accompanying warrant was $0.97 (to note the pre-funded warrants were issued at a price of $0.9699 and have an exercise price of $0.0001). The warrants will become exercisable six months from issuance, expire five and a half years from the issuance date, and have an exercise price of $0.97 per share. The net proceeds to the Company from the registered direct offering and concurrent private placement totaled $1.25 million, after deducting placement agent fees and other offering expenses payable by the Company. To date all of the pre-funded warrants have been exercised, resulting in an issuance by the Company of an aggregate 729,058 common shares for gross proceeds of $73.

- Issued an aggregate of 1,119,250 in common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for the gross proceeds of $1,063,475.

We may offer securities in response to market conditions or other circumstances if we believe such a plan of financing is required to advance the Company's business plans. There is no certainty that future equity or debt financing will be available or that it will be at acceptable terms and the outcome of these matters is unpredictable. A lack of adequate funding may force us to reduce spending, curtail or suspend planned programs or possibly liquidate assets. Any of these actions could adversely and materially affect our business, cash flow, financial condition, results of operations, and potential prospects. The sale of additional equity may result in additional dilution to our stockholders. Entering into additional licencing agreements, collaborations, partnerships, alliances marketing, distribution, or licensing arrangements with third parties to increase our capital resources is also possible. If we do so, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

Based on existing cash resources, management believes that current funding will be sufficient to meet the Company's financial obligations for a period of at least twelve months from the date of this report. In making this assessment, the Company believes that this alleviates any substantial doubt in connection with the Company's ability to continue as a going concern.

2. Significant Accounting Policies

The significant accounting policies of the Company are consistent with those of our audited financial statements on Form 10-K for the year ended August 31, 2023.

Basis of Consolidation

These interim consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries; Lexaria CanPharm ULC, Lexaria CanPharm Holdings Corp., PoViva Corp., Lexaria Hemp Corp., Kelowna Management Services Corp., Lexaria Nutraceutical Corp., and Lexaria Pharmaceutical Corp., and our 83.333% owned subsidiary Lexaria Nicotine LLC with the remaining 16.667% owned by Altria Ventures Inc. an indirect wholly owned subsidiary of Altria Group, Inc. All significant intercompany balances and transactions have been eliminated upon consolidation.

Basis of Presentation

The Company's unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC. 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 or for any subsequent period.

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, 2023.

Cash and Cash Equivalents

Cash and cash equivalents include cash-on-hand and demand deposits with financial institutions and other short-term investments with maturities of less than three months when acquired and readily convertible to known cash amounts. The Company had no cash equivalents as of February 29, 2024, or February 28, 2023.

Marketable Securities

The Company's marketable securities consist of investments in common stock. Investments in equity securities are reported at fair value with changes in unrecognized gains or losses included in other income (loss) on the consolidated statements of operations.

Leases

The Company accounts for its leases under ASC 842, Leases ("ASC 842"). Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the consolidated balance sheet as both a right-of-use asset and lease liability.

We determined the initial classification and measurement of our right-of-use assets and lease liabilities at the lease commencement date and thereafter if modified. The lease term includes any renewal options and termination options that we are reasonably certain to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, we use our incremental borrowing rate. The incremental borrowing rate is determined by using the rate of interest that we would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment.

Operating lease expenses are recognized on a straight-line basis, unless the right-of-use asset has been impaired, over the reasonably certain lease term based on the total lease payments. They are included in operating expenses in the consolidated statements of operations.

For operating leases that reflect impairment, we will recognize the amortization of the right-of-use asset on a straight-line basis over the remaining lease term with rent expense still included in operating expenses in the consolidated statements of operations. For all leases, rent payments that are based on a fixed index or rate at the lease commencement date are included in the measurement of lease assets and lease liabilities at the lease commencement date.

We have elected the practical expedient to not separate lease and non-lease components. Our non-lease components are primarily related to property taxes and maintenance, which vary based on future outcomes, and thus differences to original estimates are recognized in rent expense when incurred.

Intellectual Property

Capitalized intellectual property costs include those incurred with respect to both pending and granted patents filed in the United States. When patent applications are filed, the directly related capitalized costs are amortized on a straight-line basis over an estimated economic life of 20 years.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and impairment and depreciated using the straight-line method over the useful lives of the various asset classes. Laboratory and computer equipment and office furniture are depreciated over 3-10 years. Certain production equipment is depreciated by units of production method. Leasehold improvements are amortized over the term of the related leases, or the economic life of the improvements, whichever is shorter.

Impairment of Long-Lived Assets

Long-lived assets, including equipment and intangible assets, namely the Company's patents, are assessed for potential impairment when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to the profit or loss. Intangible assets with indefinite lives are tested for impairment annually and in interim periods if certain events occur indicating that the carrying value of the intangible assets may be impaired.

Revenue Recognition

Licensing revenue from intellectual property

Our revenues from licenses that grant the right to access our intellectual property, which we consider symbolic licenses of IP, are recognized over time following the transfer and use of our patented infusion technology DehydraTECH. Royalty revenues are recognized in the period in which our licensees sell the related products and recognize the related revenue.

Usage fees from intellectual property

We recognize usage fees from B2B clients in the period in which the counterparty completes the manufacturing which incorporates DehydraTECH enabled APIs into the related product. We generally recognize revenue when we have satisfied all contractual obligations and are reasonably assured of collecting the resulting receivable. Non-refundable minimum fees are recognized as revenue over the period to which they apply.

Product revenue

We generally recognize revenue when we have satisfied all contractual obligations and are reasonably assured of collecting the resulting receivable. We are often entitled to bill our customers and receive payment from our customers in advance of recognizing the revenue.

Cost of Sales

Cost of sales includes all expenditures incurred in bringing the goods to the point of sale This includes third-party manufacturing and handling costs, direct costs of the raw material, inbound freight charges, warehousing costs, and applicable overhead expenses.

Research and Development

Research and development costs are expensed as incurred. These expenditures are comprised of both in-house research programs and through third-party contracts including clinical research organizations, consultants, academic and non-profit institutions, contract manufacturing, and other expenses.

Intellectual Property Expenses

Non-capitalizable costs associated with intellectual property-related matters are expensed as incurred and included in general and administrative expenses within the consolidated statements of operations.

Stock-Based Compensation

The Company accounts for its stock-based compensation awards whereby all stock-based grants are recognized as expenses in the consolidated statements of operations based on the fair value at grant date subject to vesting dates and amortized over the related vesting period. The grant date fair value of each option award is estimated using the Black-Scholes option-pricing model. The use of the Black-Scholes option-pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the common stock.

Foreign Currency Translation

The Company's reporting currency is the U.S. dollar. The Company has foreign operations whose functional currency is the local currency. Assets and liabilities are translated into U.S. dollars, the reporting currency, at the exchange rate on the balance sheet date. Revenues and expenses are translated into U.S. dollars at the average rates of exchange prevailing during the reporting period. Foreign currency translation adjustments resulting from this process are reported as an element of other comprehensive income (loss) on the consolidated statements of operations and comprehensive loss. Transactions executed in different currencies are translated at spot rates and resulting foreign exchange transaction gains and losses are charged to income.

Loss Per Share

The calculation of loss per share uses the weighted average number of shares outstanding during the year. Diluted net income per share includes the effect, if any, from the potential exercise or conversion of securities, such as restricted stock and stock options, which would result in the issuance of incremental shares of common stock. Diluted loss per share is equivalent to basic loss per share if the potential exercise of the equity-based financial instruments is anti-dilutive.

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse.

Financial Instruments

When measuring fair value, the Company seeks to maximize the use of observable inputs and minimize the use of unobservable inputs. This establishes a fair value hierarchy based on the level of independent objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs are prioritized into three levels used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and
- Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company's financial instruments consist primarily of cash, marketable securities, accounts receivable and payable as well as accrued liabilities. The carrying amounts of instruments approximate their fair values due to their short maturities or quoted market prices.

The Company's headquarters and operations are located in Canada which results in exposure to market risks from fluctuations in foreign currency rates. The foreign currency exchange risk is the financial risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk as the impact of rate changes for USD or CAD dollars is not expected to be material.

The following table provides a summary of financial instruments that are measured at fair value on a recurring basis as of February 29, 2024.

	Carrying Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	Total
Marketable Securities	$ 87,699	$ 87,699	$ -	$ -	$ 87,699

The following table provides a summary of financial instruments that are measured at fair value on a recurring basis as of August 31, 2023.

	Carrying Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	Total
Marketable Securities	$ 125,642	$ 125,642	$ -	$ -	$ 125,642

Credit Risk and Customer Concentration

The Company places its cash with a high credit quality financial institution. Periodically, the Company may carry cash balances at such financial institution in excess of the federally insured limit of $250,000. The Company has not experienced losses on these accounts and management believes, based upon the quality of the financial institution, that the credit risk with regard to these deposits is not significant.

In the six months ended February 29, 2024, two customers accounted for97% of consolidated revenues. In the six months ended February 29, 2023, two customers accounted for 93% of consolidated revenues.

Commitments and Contingencies

The Company's policy is to record accruals for any such loss contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information. The Company, from time to time, may be subject to legal claims and proceedings related to matters arising in the ordinary course of business. Management has no knowledge of any such material claim against the Company with, at minimum, a reasonable possibility that a material loss may be incurred.

Reclassifications

Certain amounts in the prior period have been reclassified to conform with current period presentation.

Estimates and Judgments

The preparation of financial statements in conformity with US GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the fiscal 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.

Management reviews our estimates, judgments, and assumptions periodically and reflects the effects of any 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.

3. Recent Accounting Guidance

Recently Adopted Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* This Accounting Standards Update represents a significant change in the accounting for credit losses model by requiring immediate recognition of management's estimates of current expected credit losses (CECL). Under the prior model, losses were recognized only as they were incurred. The Company has determined that it has met the criteria of a smaller reporting company ("SRC") as of November 15, 2019. As such, ASU 2019-10, Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases: Effective Dates amended the effective date for the Company to be for reporting periods beginning after December 15, 2022. The Company adopted ASU 2016-13 effective September 1, 2023 and determined that its impact on the accompanying consolidated financial statements is immaterial.

4. Accounts and Other Receivables

Accounts receivable at February 29, 2024 and August 31, 2023 consist of the following:

Amounts Receivable	February 29, 2024	August 31, 2023
Territory license fees	$ 247,760	$ 24,635
Sales tax	76,319	102,051
Other receivable	33,011	-
Long term receivable	39,494	48,559
	$ 396,584	**$ 175,245**

5. Prepaid Expenses and Other Current Assets

Prepaid expenses consist of the following at February 29, 2024 and August 31, 2023:

	February 29, 2024	August 31, 2023
Advertising and conferences	$ 132,147	$ 40,342
Consulting	-	331,811
Legal and accounting fees	31,700	36,795
License, filing fees, dues	57,313	15,668
Office and insurance	45,636	97,167
Capital financing	-	25,000
	$ 266,796	**$ 546,783**

6. Intellectual Property, net

A continuity schedule for capitalized patents is presented below:

	February 29, 2024	August 31, 2023
Balance – beginning	$ 462,625	$ 488,462
Addition	97,016	135,862
Impairment	(23,507)	(106,761)
Amortization	(16,881)	(54,938)
Balance – ending	**$ 519,253**	**$ 462,625**

The Company evaluated its patent portfolio and determined that certain pending applications had been abandoned or will not be pursued. As such, during the six months ended February 29, 2024, the Company recognized an impairment loss of $23,507 related to those abandoned applications. The Company recognized $16,881 of amortization expense related to patents and licenses in the six-months ended February 29, 2024.

7. Property & Equipment, net

Consists of:

Thursday, February 29, 2024	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ (11,258)	$ -	$ (259,981)	$ -
Computers	70,781	(1,784)	-	(67,940)	2,841
Furniture fixtures equipment	31,126	(1,869)	-	(31,126)	-
Lab equipment	367,424	(12,917)	-	(143,950)	223,474
	$ 729,312	**$ (27,828)**	**$ -**	**$ (502,997)**	**$ 226,315**

August 31, 2023	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ (54,037)	$ -	$ (248,723)	$ 11,258
Computers	70,781	(4,732)	-	(66,156)	4,625
Furniture fixtures equipment	31,126	(6,417)	-	(29,257)	1,869
Lab equipment	333,675	(29,986)	33,748	(131,032)	236,391
	$ 695,563	**$ (95,172)**	**$ 33,748**	**$ (475,168)**	**$ 254,143**

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at February 29, 2024 and August 31, 2023 consist of the following:

	February 29, 2024	August 31, 2023
Accounts Payable		
Trade payable	$ 47,657	$ 225,038
Sales tax payable	7,660	14,903
	$ 55,318	**$ 239,941**

9. Revenues

A breakdown of our revenues by type for the six-months ended February 29, 2024, and February 28, 2023, are as follows:

	Six Months Ended February 29, 2024	28, 2023
IP Licensing	$ 289,990	$ 80,310
B2B	5,388	30,300
Other	900	7,150
	$ 296,278	**$ 117,760**

During the six-month period ended February 29, 2024, and February 23, 2023, the Company recognized B2B product revenues of $5,388 and $30,300, respectively, that relate to sales of our intermediate products for use by B2B customers in their products. Licensing revenue consists of IP licensing fees for transfer of the DehydraTECH technology in line with definitive agreements and includes royalty fees. The Company recognized $289,990 and $80,310 in licensing revenue in the six months ended February 29, 2024, and February 28, 2023, respectively.

10. Income Taxes

For the six months ended February 29, 2024, the Company did not recognize a provision or benefit for income taxes as it has incurred net losses. In addition, the net deferred tax assets are fully offset by a valuation allowance as the Company believes it is more likely than not that the benefit will not be realized.

11. Common Shares and Warrants

During the six months ended February 29, 2024, the Company entered into Securities Purchase Agreements whereby on February 16, 2024, the Company issued1,444,741 shares of common stock and 113,702 pre-funded warrants in a registered direct offering. The Company also sold to investors, warrants to purchase up to1,558,443 shares of common stock. The combined effective offering price for each share of common stock and accompanying warrant was $2.31. The warrants will expire five years from the issuance date, and have an exercise price of $2.185 per share. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 54,546 shares of common stock. Such warrants will expire five years from the issuance date, and have an exercise price of $2.8875 per share. The net proceeds to the Company from the registered direct offering was $3.0 million, after deducting placement agent fees and other offering expenses paid by the Company.

On October 3, 2023, the Company entered into a securities purchase agreement with a single healthcare-focused institutional investor to purchase889,272 shares of common stock and 729,058 pre-funded warrants in a registered direct offering. In a concurrent private placement, the Company also sold to the investor, warrants to purchase up to 1,618,330 shares of common stock. The combined effective offering price for each share of common stock (or pre-funded warrant in lieu thereof) and accompanying warrant was $0.97 (to note the pre-funded warrants were issued at a price of $0.9699 and have an exercise price of $0.0001). The warrants will become exercisable six months from issuance, expire five and a half years from the issuance date, and have an exercise price of $0.97 per share. The net proceeds to the Company from the registered direct offering and concurrent private placement were $1.25 million, after deducting placement agent fees and other offering expenses payable by the Company. To date all of the pre-funded warrants have been exercised, resulting in an issuance by the Company of an aggregate 729,058 common shares for gross proceeds of $73.

During the six months ended February 29, 2024, the Company issued an aggregate1,119,250 common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for gross proceeds of $1,063,475 of which $32,110 was being held in the Company's trust account with the warrant agent at February 29, 2024.

A continuity schedule for warrants for the six months ended February 29, 2024, is presented below:

	Number of Warrants	Weighted Average Exercise Price $
Balance, August 31, 2023	4,520,483	4.71
Issued	4,074,079	1.26
Exercised	(1,962,010)	0.54
Balance, February 29, 2024	6,632,552	3.82

A summary of warrants outstanding as of February 29, 2024, is presented below:

Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
60,798	$ 36.00	.71-.75
317,190	10.50	1.18-1.20
116,667	9.00	1.04
200,000	7.00	0.13
1,719,828	6.58	1.88
986,750	0.95	4.20
1,618,330	0.97	5.09
1,612,989	2.21	4.97
6,632,552	**$ 3.82**	**3.63**

Stock Options

The Company has established an Equity Incentive Plan which was most recently amended by the Company's shareholders on May 9, 2023. Pursuant to the amendments which were effected on January 18, 2024 when the Company filed a Form S-8 Registration Statement, the Equity Incentive Plan now has an evergreen formula, whereby on January 1 each year commencing January 1, 2024, the number of shares issuable pursuant to the Equity Incentive Plan may be increased to a number equal to up to 10% of the issued share capital on December 31 of the previous year. The Company has registered an additional 527,111 common shares issuable pursuant to the Equity Incentive Plan, for an aggregate 1,037,544 common shares issuable under the Equity Incentive Plan. Stock options currently granted must be exercised within five years from the date of grant or such lesser period as determined by the Company's board of directors. The vesting terms of each grant are also set by the 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.

Other than the issuance of options as an incentive for engagement, the Company has historically issued options to all of the independent directors, as a group and to its employees and consultants, as a group. As a result, option issuances are typically no more than two to three times per year. While the Company does not have a formal policy regulating option issuances, the Company ensures that such option issuances do not occur when material information has not been disclosed to the public and no less than two weeks prior to any quarterly or annual financial statement filing.

A continuity schedule for stock options is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance August 31, 2022	424,836	$ 6.45		
Cancelled/expired	(47,500)	2.98		
Granted	69,600	1.75		
Balance August 31, 2023	446,936	3.32		
Cancelled/expired	(46,000)	2.98		
Granted	85,000	1.15		
Balance February 29, 2024 (outstanding)	**485,936**	**$ 2.98**	**3.10**	**$ 400,690**
Balance February 29, 2024 (exercisable)	**474,186**	**$ 2.97**	**3.11**	**$ 400,210**

On October 26, 2023, the Company granted 85,000 options to its officers and employees with an exercise price of $1.15 and a term of 5 years. No options were issued to the Company's officers and employees during the quarter ended February 29, 2024.

The fair value of stock options granted in the six months ended February 29, 2024, were estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

February 29, 2024	
Expected volatility	92%
Risk-free interest rate	5.03%
Expected life	2.50
Dividend yield	0.00%
Estimated fair value per option	$ 0.64

Stock-based compensation expense for the six-month period ended February 29, 2024, and February 28, 2023, was $3,953 and $79,302, respectively.

On October 26,2023, the Company granted 85,000 options to its officers and employees with an exercise price of $1.15 and a term of 5 years.

As of February 29, 2024, the total unrecognized non-cash compensation costs are $9,117 related to 11,750 non-vested stock options with a $3.27 weighted average price. These costs are expected to be recognized over a weighted average period of 0.07 years. All non-vested options are attributable to employees.

12. Commitments, Significant Contracts and Contingencies

Right-of-Use Assets - Operating Lease

The corporate office and R&D laboratory are located in Kelowna, British Columbia, Canada. The related lease was renewed until November 15, 2028. In addition to minimum lease payments, the lease requires us to pay property taxes and other operating costs which are subject to annual adjustments.

	February 29, 2024	August 31, 2023
Right of use assets - operating leases	$ 167,446	$ 52,444
Amortization	(17,449)	(41,564)
Extension-related remeasurement	-	156,566
Total lease assets	$ 149,997	$ 167,446
Liabilities:	$ 163,967	$ 49,988
Lease payments	(17,922)	(44,814)
Interest accretion	2,840	2,227
Extension-related remeasurement	-	156,566
Total lease liabilities	$ 148,885	$ 163,967
Operating lease cost	$ 156,565	$ 167,446
Operating cash flows for lease	$ 17,922	$ 44,814
Remaining lease term	4.75 Years	5.17 Years
Discount rate	7.25%	7.25%

Pursuant to the terms of the Company's lease agreements in effect, the following table summarizes the Company's maturities of operating lease liabilities as of February 29, 2024:

2024	$ 17,918
2025	37,094
2026	37,345
2027	38,642
2028	38,901
2029	6,483
Thereafter	-
Total lease payments	176,383
Less: imputed interest	(27,497)
Present value of operating lease liabilities	148,886
Less: current obligations under leases	(26,399)
Total	$ 122,487

13. Segment Information

The Company's operations involve the development and usage, including licensing, of DehydraTECH. 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 business-to-business product production and technology licensing to make operational decisions and to assess the performance of the Company. The Company has identified four reportable segments: Intellectual Property, B2B Production, Research and Development and Corporate. Licensing revenues are significantly concentrated on three licensees.

Six Months Ended February 29, 2024	IP Licensing	B2B Product	R&D	Corporate	Consolidated Total
Revenue	$ 289,990	$ 5,388	$ 900	$ -	$ 296,278
Cost of goods sold	$ -	$ (4,822)	$ -	$ -	$ (4,822)
Operating expenses	$ (345)	$ (1,354)	$ (820,270)	$ (1,400,223)	$ (2,222,192)
Other Income(Expense)	$	$ -	$ -	$ (30,624)	$ (30,624)
Segment loss	$ 289,645	$ (788)	$ (819,370)	$ (1,430,847)	$ (1,961,360)
Total assets	**$ 98,877**	**$ 63,573**	**$ 491,551**	**$ 5,698,042**	**$ 6,352,043**

Six Months Ended February 28, 2023	IP Licensing	B2B Product	R&D	Corporate	Consolidated Total
Revenue	$ 80,310	$ 30,300	$ 7,150	$ -	$ 117,760
Cost of goods sold	$ -	$ (18,753)	$ -	$ -	$ (18,753)
Operating expenses	$ (45,758)	$ (183,030)	$ (1,525,667)	$ (1,363,596)	$ (3,118,051)
Other Income(Expense)	$	$ -	$ -	$ (60,900)	$ (60,900)
Segment loss	$ 34,552	$ (171,483)	$ (1,518,517)	$ (1,424,496)	$ (3,079,944)
Total assets	**$ 114,546**	**$ 72,929**	**$ 1,518,517**	**$ 3,148,987**	**$ 4,854,979**

14. Subsequent Events

Subsequent to the six months ended February 29, 2024, the Company issued an aggregate498,000 common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for gross proceeds of $473,100.

On March 14, 2024, the Company appointed Nelson Cabatuan as its Chief Financial Officer and issued an aggregate of200,000 stock options having an exercise price of $2.93 with vesting over a three-year period.

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

Cautionary Note Regarding 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, forward-looking statements are identified 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 20, 2023, 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 ("US$") 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 US dollars. All references to "common shares" and "shares" refer to the common shares in our capital stock, unless otherwise indicated. The terms "Lexaria" "we", "us", "our" and "Company" mean the Company and/or our subsidiaries, unless otherwise indicated.

The following discussion should be read in conjunction with our condensed financial statements and accompanying notes in this quarterly report on Form 10-Q, and our audited financial statements with notes in our annual report on Form 10-K for the year ended August 31, 2023.

Company Overview

Lexaria's DehydraTECH patented technology is a drug delivery platform technology that provides more predictable time of delivery of Active Pharmaceutical Ingredients ("API") into the bloodstream and brain tissue. Based on R&D studies completed in animals and humans, DehydraTECH has been shown to improve the delivery of bioactive compounds into the bloodstream, lowers overall dosing, and is highly effective in API delivery available in a range of formats from oral ingestible to oral buccal/sublingual to topical products. DehydraTECH substantially improves the rapidity and quantity of API transport to the blood plasma and brain using the body's natural process for distributing fatty acids via oral ingestion. This technology extends across many categories beyond the primary pharmaceutical focus of the Company, from foods and beverages to cosmetic products and nutraceuticals.

Lexaria is advancing several R&D activities in preclinical as well as on-going and planned future clinical programs. During the quarter ended February 29, 2024, Lexaria provided its final results from its human pilot study to investigate whether DehydraTECH-enhanced Rybelsus™ could offer greater benefits than Rybelsus on its own. As announced on January 4, 2024, our final findings found even more pronounced results than in the first half of the study that DehydraTECH-enhanced Rybelsus confirming: sustained higher levels of semaglutide in blood; faster achievement of peak drug delivery; reduced side effects; sustained lower levels of blood glucose and lowered blood-glucose spike after eating. In January 2024, we announced a comprehensive planned applied research program to thoroughly evaluate DehydraTECH for the improved delivery of GLP-1 drugs, designed to support prospective commercial partnering with the global pharmaceutical companies.

Further, during the six months ended February 29, 2024, Lexaria filed its Investigational New Drug (IND) application with the US Food and Drug Administration (the "FDA") for its planned phase 1b hypertension clinical trial for its DehydraTECH-CBD drug product. Upon responding to certain inquires of the FDA, Lexaria received a Study May Proceed letter from the FDA on February 29, 2024, enabling Lexaria to proceed with conducting *A Phase 1b Randomized, Double-Blind, Placebo-Controlled Study of the Safety, Pharmacokinetics, and Pharmacodynamics of DehydraTECH-CBD in Subjects with Stage 1 or Stage 2 Hypertension*, subject to raising sufficient funding, and satisfying certain other FDA-requested conditions.

The Company entered into Securities Purchase Agreements with investors whereby on February 16, 2024, the company issued 1,444,741 shares of common stock and 113,702 pre-funded warrants in a registered direct offering. The Company also agreed to issue and sell to investors warrants to purchase up to 1,558,443 shares of common stock. In addition, the Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 54,546 shares of common stock. The net proceeds to the Company from the registered direct offering and concurrent private placement totaled $3.0 million, after deducting placement agent fees and other offering expenses paid by the Company.

During the six months ended February 29, 2024, the Company issued an aggregate 1,119,250 common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for gross proceeds of $1,063,475.

Patents

Our current patent portfolio includes patent family applications or grants pertaining to Lexaria's method of improving bioavailability and taste, and the use of DehydraTECH as a delivery platform, orally or topically, for a wide variety of APIs encompassing cannabinoids; fat soluble vitamins; NSAIDs pain medications; antiviral drugs; nicotine and its analogs, and a host of other bioactive compounds. The pending and granted patents also cover a range of therapeutic use methods for DehydraTECH formulations as well as the DehydraTECH manufacturing and processing methods used to combine fatty acids with active pharmaceutical ingredients. This includes heating and drying methods and use of excipients and substrates.

The Company currently has several 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. We continue to investigate national and international opportunities to investigate expansions and additions to our intellectual property portfolio. Patents have been filed specifically for the use of DehydraTECH with cannabinoids for the treatment of heart disease and hypertension to support our anticipated IND application with the FDA, and for treatment of epilepsy. Applications have also been filed and are pending but not yet published for the use of DehydraTECH with other bioactive ingredients of interest to Lexaria.

We will continue to seek beneficial acquisitions of intellectual property if and when we believe it is advisable to do so. Due to the inherent unpredictability of scientific discovery, it is not possible to predict if or how often such new applications might be filed or patents issued.

Subsequent to the six months ended February 29, 2024, the Company was granted US Patent 11,931,369 and US Patent 11,944,635 both being in the Company's patent family #24 for Compositions and Methods for Treating Epilepsy.

Below we summarize Lexaria's allowed/granted patents.

Issued Patent #	Patent Certificate Grant Date	Patent Family
US 9,474,725 B1	10/25/2016	#1 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	05/15/2018	
US 9,974,739 B2	05/22/2018	
US 10,084,044 B2	09/25/2018	
US 10,103,225 B2	10/16/2018	
US 10,381,440	08/13/2019	
US 10,374,036	08/06/2019	
US 10,756,180	08/25/2020	
AU 2015274698	06/15/2017	
AU 2017203054	08/30/2018	
AU 2018202562	08/30/2018	
AU 2018202583	08/30/2018	
AU 2018202584	01/10/2019	
AU 2018220067	07/30/2019	
EP 3164141	11/11/2020	
JP 6920197	07/28/2021	
CDN 2949369	06/13/2023	
AU 2016367036	07/30/2019	#2 Methods for Formulating Orally Ingestible Compositions Comprising Lipophilic Active Agents
JP 6963507	10/19/2021	
MX 388 203 B	11/26/2021	
AU 2016367037	08/15/2019	#3 Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	04/30/2021	
JP 6917310	07/21/2021	
MX 390001	02/10/2022	
JP 7232853	02/22/2023	
CDN 2984917	09/26/2023	
CDN 3093414	12/13/2022	#6 Transdermal and/or Dermal Delivery of Lipophilic Active Agents
JP 7112510	07/26/2022	#7 Lipophilic Active Agent Infused Compositions with Reduced Food Effect
AU 2019256805	06/16/2022	#8 Compositions Infused with Nicotine Compounds and Methods of Use Thereof
CDN 3096580	05/23/2023	
CDN 3111082	08/29/2023	#14 Lipophilic Active Agent Infused Tobacco Leaves and/or Tobacco Materials and Methods of Use Thereof
US 11,311,559	04/26/2022	#18 Compositions and Methods for Enhanced Delivery of Antiviral Agents
AU 2021261261	03/23/2023	
JP 7415045	01/05/2024	
US 11,700,875	07/18/2023	#20 Compositions and Methods for Sublingual Delivery of Nicotine
CDN 3196911	12/05/2023	
US 11,666,544	06/06/2023	#21 Compositions and Methods for Treating Hypertension
US 11,666,543	06/06/2023	
US 11,931,369	03/19/2024	#24 Compositions and Methods for Treating Epilepsy
US 11,944,635	04/02/2024	

Research & Development

Lexaria is advancing several R&D activities in both preclinical and clinical programs. Currently, our primary research programs are the investigation of optimal formulations of DehydraTECH-enhanced glucagon-like peptide-1 ("GLP-1") and glucose-dependent insulinotropic polypeptide ("GIP") drugs as well as the investigation of cannabidiol ("CBD") for the reduction of hypertension leading to a recently cleared IND application by the U.S. FDA. Other programs have included DehydraTECH formulation development and testing with nicotine for reduced-risk oral pouches and prospective nicotine replacement therapy, human hormones, CBD for diabetes, dementia, seizures and others. From time to time the Company will engage in contract R&D for third parties who are interested in evaluating DehydraTECH in their products.

Hypertension Phase 1b IND Trial HYPER-H23-1

The FDA provided Lexaria with a positive written response on August 10, 2022, from our pre-IND meeting regarding DehydraTECH-CBD for the treatment of hypertension. The FDA confirmed that it had agreed with Lexaria's proposal to pursue a 505(b)(2) new drug application ("NDA") regulatory pathway for our program. On January 29, 2024, Lexaria submitted its IND application with the FDA and it received a Study May Proceed letter from the FDA on February 29, 2024. Manufacturing IND drug product batches has been performed through our third-party contract manufacturer, in compliance with current Good Manufacturing Practice ("cGMP") regulations as mandated by the FDA, including stability testing. We will continue to manufacture additional drug product batches though our third-party contract manufacturer in the future as we perform additional clinical studies. We have begun certain administrative study start-up tasks associated with preparation to perform study HYPER-H23-1 when ready to be initiated following the satisfaction of certain FDA conditions and raising sufficient funding.

Diabetes and Weight Loss Management Investigation

During the quarter ended February 29, 2024, Lexaria completed its initial investigational study to examine DehydraTECH-enhanced GLP-1 for prospective improvement in diabetes and weight loss management applications. The initial investigation (Human Pilot Study #1) was an investigator-initiated pilot study of the GLP-1 drug semaglutide with seven (7) healthy volunteers comparing performance of a DehydraTECH-semaglutide oral capsule formulation to that of commercially available Rybelsus® tablets. For purposes of this initial study, the DehydraTECH-semaglutide composition was compound formulated using Rybelsus tablets as the semaglutide source input. As noted in our press releases issued on November 27 and 28, 2023, interim study findings showed that the DehydraTECH-semaglutide capsules sustained higher levels of semaglutide in blood; had faster achievement of peak drug delivery; had reduced incidence of moderate to severe side effects; sustained lower levels of blood glucose and lowered blood-glucose spike after eating. On January 4, 2024, upon conclusion of the study and full dataset analysis, the final study findings built upon the previously released interim findings evidencing that DehydraTECH-semaglutide produced even more pronounced and sustained higher levels of semaglutide in blood and lower levels of blood glucose and lowered blood-glucose spike after eating, while continuing to demonstrate reduced incidence of moderate to severe side effects.

In January 2024, we announced a comprehensive planned applied animal and human clinical research and development program to thoroughly evaluate DehydraTECH for the improved delivery of GLP-1 and GIP drugs, designed to support prospective commercial partnering with global pharmaceutical companies. The objective of the new planned studies is to help determine the commercial applicability of DehydraTECH to at least two GLP-1 drugs (semaglutide and liraglutide) and one dual action GLP-1/GIP drug (tirzepatide) which together produced billions of dollars of revenue to their owners, as reported in their most recent financial statements. The new planned studies to be undertaken are as follows:

Chronic Dosing Animal Study (WEIGHT-A24-1)

Targeted start of April 2024. This will be an obese rat diabetic-conditioned study similar to a previous Lexaria study (DIAB-A22-1), with approximately 12 study arms and 6-10 animals per arm. The study is expected to run for 12 weeks in each arm to allow time to study weight loss, PK, and blood sugar control over time, followed by full data analysis and reporting. Varied DehydraTECH formulations of semaglutide and liraglutide, alone and together with DehydraTECH-CBD, will be evaluated, to be compared to commercially available Rybelsus®. We also expect to be evaluating DehydraTECH-processed semaglutide with and without the salcaprozate sodium "SNAC" technology currently found within Rybelsus® tablets.

Human Pilot Study #2 (GLP-1-H24-2)

Targeted start of April/May 2024. This human pilot study in up to 8 healthy volunteers, will study a single dose of oral ingested DehydraTECH-semaglutide capsules in a similar design but different formulation to Human Pilot Study #1, to be compared to commercially available Rybelsus®. We also intend to study an oral dissolvable DehydraTECH-semaglutide tablet formulation (dissolvable into sublingual/buccal tissue) to determine whether GLP-1 drug absorption via this route is effective and well tolerated as an alternative to the conventional oral ingestible route which often presents with gastrointestinal side effect issues. Tolerability, PK, and blood sugar control will all be evaluated. The DehydraTECH compositions for this study will be compound-formulated using commercially available Rybelsus® tablets as the semaglutide input material.

Human Pilot Study #3 (GLP-1-H24-3)

Targeted start in May/June, 2024. This human pilot study in up to 8 healthy human volunteers will study a single daily dose of oral ingested DehydraTECH-tirzepatide capsules (to be compound-formulated using Zepbound® by Eli Lilly) administered over a seven-day period compared to commercially available Zepbound® to evaluate tolerability, PK, and blood sugar. Zepbound® is currently administered by injection only and will be used as the tirzepatide input material for production of the DehydraTECH-tirzepatide capsules to be studied. Importantly, this study will evaluate DehydraTECH effectiveness in humans with a dual action GLP-1 + GIP drug while also doing so without the SNAC ingredient found in the Rybelsus® semaglutide composition from Human Pilot Studies #1 and #2.

Chronic Dosing Human Study (GLP-1-H24-4)

Targeted start Q3, 2024. This chronic human study in 60 to 80 obese, pre-diabetic and/or type-2 diabetic human volunteers/patients will dose daily using oral DehydraTECH capsules for 12 weeks and will evaluate tolerability, PK, weight loss, blood sugar levels and more. The primary goal of this study will be to compare DehydraTECH-processed semaglutide capsules to DehydraTECH-CBD capsules alone - and together in combination - relative to a placebo control over an extended period of time. Inclusion of DehydraTECH-CBD in this study will be undertaken to determine if the improvements in glycemic control and weight loss witnessed in Lexaria's previous animal study DIAB-A22-1 are evidenced in humans.

Long Term Stability Testing

Lexaria plans to study the chemical and microbiological purity and stability of select DehydraTECH compositions that it prepares for the above planned upcoming animal and human studies over an extended duration of 6-12 months. Along with improved tolerability, PK and efficacy performance, long term stability is crucial if oral variants of GLP-1 / GIP drugs are to be seriously considered as replacements for currently injectable versions of these drugs.

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 Policies and Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with US GAAP. These accounting principles require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses during the periods reported. Based on information available to management at the time, these estimates, judgments and assumptions are considered reasonable. We believe that understanding the basis and nature of the estimates, judgments and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials.

For a discussion of our critical accounting estimates, please read*Note 4, Estimates and Judgements,* as found in the financial statements in our Annual Report on Form 10-K for the year ended August 31, 2023. There have been no material changes to the critical accounting estimates as previously disclosed in our 2023 Form 10-K.

Funding Requirements

We anticipate that our expenditures will increase in connection with our ongoing R&D program, specifically with respect to our animal and human clinical trials of our DehydraTECH formulations for the purposes of our investigations with GLP-1 drugs and treating hypertension. As we move forward with our planned R&D studies in 2024, we anticipate that our expenditures will further increase and accordingly, we expect to incur increased operating losses and negative cash flows for the foreseeable future.

Through February 29, 2024, we have funded our operations primarily through the proceeds from the sale of common stock. The Company has consistently incurred recurring losses and negative cash flows from operations, including net losses of $1,837,771 and $3,079,944 for the six months ended February 29, 2024, and February 28, 2023, respectively.

The continuation of Lexaria as a going concern depends on raising additional capital and/or attaining and maintaining profitable operations. The accompanying 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 may raise substantial doubt about the Company's ability to continue as a going concern within one year following the date that these consolidated financial statements are issued.

During the six months ended February 29, 2024, the Company has completed the following:

- Entered into Securities Purchase Agreements whereby on February 16, 2024, the Company issued 1,444,741 shares of common stock and 113,702 pre-funded warrants in a registered direct offering. The Company also sold to investors, warrants to purchase up to 1,558,443 shares of common stock. The combined effective offering price for each share of common stock and accompanying warrant was $2.31. The warrants will expire five years from the issuance date, and have an exercise price of $2.185 per share. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 54,546 shares of common stock. The warrants will expire five years from the issuance date, and have an exercise price of $2.8875 per share. The net proceeds to the Company from the registered direct offering was $3.0 million, after deducting placement agent fees and other offering expenses paid by the Company.

- Entered into a Securities Purchase Agreement whereby on October 3, 2023, the Company issued, to a single healthcare-focused institutional investor, 889,272 shares of common stock and 729,058 pre-funded warrants in a registered direct offering. In a concurrent private placement, the Company also agreed to issue and sell sold to the investor, warrants to purchase up to 1,618,330 shares of common stock. The combined effective offering price for each share of common stock (or pre-funded warrant in lieu thereof) and accompanying warrant was $0.97 (to note the pre-funded warrants were issued at a price of $0.9699 and have an exercise price of $0.0001). The warrants will become exercisable six months from issuance, expire five and a half years from the issuance date, and have an exercise price of $0.97 per share. The net proceeds to the Company from the registered direct offering and concurrent private placement totaled $1.25 million, after deducting placement agent fees and other offering expenses payable by the Company. To date all of the pre-funded warrants have been exercised, resulting in an issuance by the Company of an aggregate 729,058 common shares.

- Issued an aggregate of 1,119,250 in common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for the gross proceeds of $1,063,475.

We have performed a review of our cash flow forecast and have concluded that funds on hand, combined with those expected from executed license agreements, will be sufficient to meet the Company's financial obligations for the twelve-month period following the filing of these consolidated financial statements on Form 10-Q.

Results of Operations for the Period Ended February 29, 2024, and February 28, 2023

Our net loss for the six months ended for the respective items are summarized as follows:

	February 29, 2024	February 28, 2023	Change
Revenues	$ 296,278	$ 117,760	$ 178,518
Cost of goods sold	(4,822)	(18,753)	13,931
Research and development	(820,270)	(1,525,667)	705,397
Consulting fees and salaries	(431,763)	(627,475)	195,712
Legal and professional	(361,405)	(197,650)	(163,755)
Other general and administrative	(485,165)	(767,259)	282,094
Other income (loss)	(30,624)	(60,900)	30,276
Net Loss	**$ (1,837,771)**	**$ (3,079,944)**	**$ 1,242,173**

Revenue

Fees from intellectual property licensing increased by $209,680 while B2B sales decreased by $24,912 with other sales lower by $6,250 year-over year due mainly to an increase in minimum fees earned within our licensee contract and reducing the emphasis on pursuit of B2B clients as we move toward pharmaceuticals.

Research and Development

Expenditures on R&D decreased by $705,397 year-over year for the period ended February 29, 2024, due mainly to the completion of the manufacturing of its DehydraTECH-CBD drug to treat hypertension and the completion of various R&D studies in the areas of prospective nicotine replacement therapy, CBD for diabetes and seizures. Lexaria continues with applied development and programs in our pharmaceutical division with our primary focus being on optimization of DehydraTECH formulations of GLP-1 drugs as well as advancing our DehydraTECH-CBD drug to treat hypertension.

Consulting Fees and Salaries

In the six months ended February 29, 2024, consulting fees and salaries decreased by $195,712, primarily due to the negotiation of reduced fees and the completion of work or cancellation of contracts with certain consultants, as well as the loss of two permanent full-time employees.

Legal and Professional Fees

Our legal and professional fees increased by $163,755 during the period compared to the same prior year period due to increased patent filings and the utilization of additional legal advisory services. The increase also reflects increased accounting and legal fees related to financing activities in the period.

General and Administrative

Our other general and administrative expenses decreased overall by $282,094 during the period ended February 29, 2024, over the same period last year. Advertising and promotion decreased by $232,035 as we scaled back our efforts to bring the results of the Company's R&D programs to the attention of various industry sectors and to the scientific and investment communities.

Liquidity and Financial Condition

Working Capital	**February 29, 2024**	**August 31, 2023**
Current assets	$ 5,416,984	$ 2,151,213
Current liabilities	(81,717)	(267,735)
Net Working Capital	**$ 5,335,267**	**$ 1,883,478**

Cash Flows	February 29, 2024	February 28, 2023
Cash flows used in operating activities	$ (1,801,267)	$ (2,473,590)
Cash flows used in investing activities	(97,016)	(67,526)
Cash flows used in financing activities	5,272,206	-
Effect of exchange rate changes on cash	(20,626)	-
Net change in cash for the period	**$ 3,353,297**	**$ (2,541,116)**

Operating Activities

Net cash used in operating activities was approximately $1.8 million for the six months ended February 29, 2024, compared with $2.5 million during the same period in 2023. The decrease relates primarily to a lower net loss of $1.2 million as we completed manufacturing of our DehydraTECH-CBD drug to treat hypertension and the completion of various R&D studies in the areas of prospective nicotine replacement therapy, CBD for diabetes and seizures, largely offset by as the net increase in working capital $521,972.

Investing Activities

Net cash used in investing activities during the six months ended February 29, 2024, compared to the six months ended February 28, 2023, increased by $29,490 due to increased spending on prosecution of intellectual property.

Financing Activities

Net cash from financing activities during the six months ended February 29, 2024, was $5,272,206. The increase relates to net proceeds from the sale of common share and warrant of $4,208,731 and warrant exercises of $1,063,475.

Liquidity and Capital Resources

Since inception, the Company has incurred significant operating and net losses. Net losses attributable to shareholders were $1.8 million and $3.1 million for the six months ended February 29, 2024, and February 28, 2023, respectively. As of February 29, 2024, we had an accumulated deficit of $47.6 million. We expect to continue to incur significant operational expenses and net losses in the upcoming 12 months. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the stage and complexity of our R&D studies and corporate expenditures, additional revenues received from the licensing of our technology, if any, and the receipt of payments under any current or future collaborations we may enter into. The recurring losses and negative net cash flows raise substantial doubt as to the Company's ability to continue as a going concern.

During the six months ended February 29, 2024, the Company has completed the following:

- Entered into Securities Purchase Agreements whereby on February 16, 2024, the Company issued 1,444,741 shares of common stock and 113,702 pre-funded warrants in a registered direct offering. The Company also sold to investors, warrants to purchase up to 1,558,443 shares of common stock. The combined effective offering price for each share of common stock and accompanying warrant was $2.31. The warrants will expire five years from the issuance date, and have an exercise price of $2.185 per share. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 54,546 shares of common stock. The warrants will expire five years from the issuance date, and have an exercise price of $2.8875 per share. The net proceeds to the Company from the registered direct offering was $3.0 million, after deducting placement agent fees and other offering expenses paid by the Company.

- Entered into a Securities Purchase Agreement whereby on October 3, 2023, the Company issued, to a single healthcare-focused institutional investor, 889,272 shares of common stock and 729,058 pre-funded warrants in a registered direct offering. In a concurrent private placement, the Company also agreed to issue and sell sold to the investor, warrants to purchase up to 1,618,330 shares of common stock. The combined effective offering price for each share of common stock (or pre-funded warrant in lieu thereof) and accompanying warrant was $0.97 (to note the pre-funded warrants were issued at a price of $0.9699 and have an exercise price of $0.0001). The warrants will become exercisable six months from issuance, expire five and a half years from the issuance date, and have an exercise price of $0.97 per share. The net proceeds to the Company from the registered direct offering and concurrent private placement totaled $1.25 million, after deducting placement agent fees and other offering expenses payable by the Company. To date all of the pre-funded warrants have been exercised, resulting in an issuance by the Company of an aggregate 729,058 common shares for gross proceeds of $73.

- Issued an aggregate of 1,119,250 in common shares pursuant to the exercise of warrants that were issued under our May 11, 2023, financing, at an exercise price of $0.95 per share for the gross proceeds of $1,063,475.

We may also offer securities in response to market conditions or other circumstances if we believe such a plan of financing is required to advance the Company's business plans. There is no certainty that future equity or debt financing will be available or that it will be at acceptable terms and the outcome of these matters is unpredictable. A lack of adequate funding may force us to reduce spending, curtail or suspend planned programs or possibly liquidate assets. Any of these actions could adversely and materially affect our business, cash flow, financial condition, results of operations, and potential prospects. The sale of additional equity may result in additional dilution to our stockholders. Entering into additional licensing agreements, collaborations, partnerships, alliances marketing, distribution, or licensing arrangements with third parties to increase our capital resources is also possible. If we do so we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

The Company has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern. As of February 29, 2024, the Company had cash and cash equivalents of approximately $4.7 million to settle $81,717 in current liabilities. We have performed a review of our cash flow forecast and have concluded that our existing cash, combined with those expected from executed license agreements, will be sufficient to meet the Company's financial obligations for the twelve-month period following the filing of these consolidated financial statements on Form 10-Q.

Item 3. 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 SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President, our Chief Executive Officer (Principal Executive Officer) and our Chief Financial Officer (Principal Financial and Accounting Officer) to allow for timely decisions regarding required disclosure.

As of February 29, 2024, the fiscal quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of February 29, 2024.

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, regulations, segregation of management duties, scale of organization, and personnel factors. It is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. It can be circumvented by collusion or improper management override. Internal control over financial reporting may not prevent or detect misstatements on a timely basis. 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, these risks. Systems determined to be effective can provide only reasonable assurances 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

During the quarter ended February 29, 2024, our controls and controls processes remained consistent with August 31, 2023. There have been no changes in our internal controls over financial reporting that occurred during the quarter ended February 29, 2024, that have materially or are reasonably likely to materially affect our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are not party to any material, pending or existing legal proceedings against our Company or its subsidiaries, nor are we involved as a plaintiff in any other material proceeding or pending litigation. There are no 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 are those described in the Form 10-K for the year ended August 31, 2023, as filed with the SEC on November 20, 2023.

Item 2. 10b5-1 Trading Plans

Our Insider Trading Policy provides that our insiders, employees and consultants may enter into trading plans to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. During the fiscal quarter ended February 29, 2024, none of the Company's insiders had entered into a 10b5-1 trading plan.

Item 3. Exhibits, Financial Statement Schedules

a) Financial Statements

1) Financial statements for our Company are listed in the index under Item 1 of this document.

2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

b) Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference as Exhibit 3.1 to our Registration Statement on Form S-1 filed June 3, 2020)
3.2	Bylaws (incorporated by reference as Exhibit 3.2 to our Registration Statement on Form S-1 filed June 3, 2020)
3.3	Amended and Restated Articles of Incorporation (Filed on Form 8-K January 14, 2021 Exh. 3.1)
3.4	Second Amended and Restated Bylaws (incorporated by reference as Exhibit 3.2 to our Current Report on Form 8-K filed January 14, 2021)
3.5	Amended and Restated Bylaws (Filed on Form S-1 June 3, 2020 Exh 3.4)
3.6	Amendment to Articles of Incorporation – Share Consolidation (Filed on Form 8-K June 23, 2009 Exh 3.1)
3.7	Amendment to Articles of Incorporation – Share Expansion (incorporated by reference as Exhibit 3.5 to our Registration Statement on Form S-1 filed June 3, 2020)
3.8	Amendment to Articles of Incorporation –Share Forward Split (Filed on Form 8-K December 16th, 2015 Exh 3.1)
3.9	Amendment to Articles of Incorporation – Name Change (Filed on Form 8-K May 11th, 2016 Exh 99.1)
(4)	**Instruments Defining the Rights of Security Holders**
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed February 16, 2024)
4.2	Form of Private Placement Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed February 16, 2024)
4.3	Form of Agent Warrant (incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed February 16, 2024)
(10)	**Material Contracts**
10.1	Engagement Agreement by and between the Company and H.C. Wainwright & Co., LLC, dated February 12, 2024 (incorporated by reference to Exhibit 1.1 to our Current Report on Form 8-K filed February 16, 2024)
10.2	Engagement Agreement Amendment by and between the Company and H.C. Wainwright & Co., LLC, dated February 12, 2024 (incorporated by reference to Exhibit 1.2 to our Current Report on Form 8-K filed February 16, 2024)
10.3	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed February 16, 2024)
10.4	Form of Equity Incentive Plan (incorporated by reference to Exhibit 4.1 to our Form S-8 Registration Statement filed on January 18, 2024)
10.5	Executive Employment Agreement with Nelson Cabatuan dated March 14, 2024
10.6	Amended and Restated Intellectual Property License Agreement with Premier Anti-Aging Co., Ltd. dated March 15, 2024
(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**

** 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 Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LEXARIA BIOSCIENCE CORP.

By: /s/ Christopher Bunka
Christopher Bunka
CEO, Chairman and Director
(Principal Executive Officer)
Date: April 9, 2024

In accordance with the Exchange Act, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Christopher Bunka
Christopher Bunka
CEO, Chairman and Director
(Principal Executive Officer)
Date: April 9, 2024

By: /s/ Nelson Cabatuan
Nelson Cabatuan
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: April 9, 2024

EXHIBIT 10.5

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "**Agreement**") dated as of the 14th day of March, 2024.

BETWEEN:

Lexaria Bioscience Corp. having an address at: 100 – 740 McCurdy Road, Kelowna, BC V1X 2P7

("**LBC**")

AND:

Nelson Cabatuan of [**][1]

(the "**Executive**")

WHEREAS LBC serves as the Nasdaq listed parent company of the following subsidiaries: Kelowna Management Services Corp. ("**KMSC**"), Poviva Corp. ("**Poviva**"), Lexaria CanPharm ULC ("**CanPharm**"), Lexaria Nicotine LLC ("**Nicotine**"), Lexaria Pharmaceutical Corp. ("**Pharma**"), Lexaria Hemp Corp. ("**Hemp**"), Lexaria CanPharm Holding Corp. ("**Holding**"), Lexaria Nutraceutical Corp. ("**Nutra**") and such future subsidiary companies of LBC ("**FutureCos**"). Collectively LBC, KMSC, Poviva, CanPharm, Nicotine, Pharma, Hemp, Holding, Nutra and FutureCos are referred to herein as the "**Company**".

WHEREAS, the Executive has expertise with acting in the capacity as a Chief Financial Officer for US publicly listed companies in addition to expertise with investor relations, capital fund raising and the biotechnology industry;

AND WHEREAS LBC wishes to engage the Executive as its Chief Financial Officer, and the Executive wishes to be employed as Chief Financial Officer, or such other title mutually agreeable to the Company and the Executive, on the terms set out in this Agreement;

AND WHEREAS LBC and the Executive have verbally agreed to terminate their former consulting relationship as established by a Limited Consulting Agreement entered into on March 1, 2024 upon the entrance into this Agreement;

[1] [**] information has been redacted to exclude private information about the Executive.

NOW THEREFORE, conditional upon the covenants and agreements set out in this Agreement; and other good and valuable consideration given by each party to the other, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereby agree as follows:

1. **EMPLOYMENT**

1.1. **Position –** LBC will employ the Executive in the position of Chief Financial Officer of the Company, or such other title mutually agreeable to the Company and the Executive. The Executive will report to the Chief Executive Officer or President or the Board of Directors of LBC (the **"Board"**) or to a committee or person designated thereby. The Executive will be responsible for and will perform the duties as set out in **Schedule "A"** to this Agreement, as well as any other duties as may be assigned to the Executive by LBC from time to time, which may include duties in relation to affiliates or subsidiaries of LBC. LBC may make changes without notice to duties and responsibilities of the Executive in accordance with the Company's business needs and, provided the Executive's duties and responsibilities remain commensurate to the duties and responsibilities customary to a Chief Financial Officer of a corporation engaged in a business similar to that of the Company or alternatively, may make material changes to the duties and responsibilities of the Executive and/or change the title of the Executive to reflect such material changes in duties and responsibilities, upon nine (9) months' notice of same, whereby such changes will not constitute a breach of the terms of employment or constructive dismissal, provided that such changes in no way involve facilitation of the production or sale to consumers of products in any jurisdiction that are not considered federally permissible therein by the Company

1.2. **Location** – The Executive shall perform his duties remotely. The parties acknowledge and agree, however, that the nature of the Executive's position and services hereunder may require a significant amount of travel by the Executive to jurisdictions that are agreeable to the Executive as a representative of the Company, including for the purposes of participating in trade shows, investor meetings and conferences, medical conferences, informational panels, presentations, media events, technology outlicensing, etc., and in discussions related to investment banking, commercial opportunities, client negotiations and more, with the understanding that any such travel expected of the Executive will be compliant with visa requirements for temporary business visiting purposes in any countries or jurisdictions to which the Executive is required to visit.

1.3. **Term** – The Executive's employment with LBC under this Agreement will at all times be at-will commencing on March 14, 2024 (the "**Effective Date**") and will continue until the Executive's employment is terminated by LBC or the Executive. (the "**Term**"). As an at-will employee, either the Executive or LBC may terminate Employee's employment at any time for any reason not prohibited by law.

1.4. **Probation Period** – The Executive and the Company acknowledge and agree that the first six (6) months of the Term shall constitute a probationary period (the "**Probation**") whereby either party may, for any reason, choose to terminate this Agreement without any of the notice period or severance payment obligations being enforced, other than the Company's liability to compensate the Executive for earned and unpaid wages and/or vacation pay and vested employee benefits.

1.5. **Service –** During the Term, the Executive will:

a) well and faithfully serve the Company and use the Executive's best efforts to promote the best interests of the Company;

b) devote the whole of the Executive's working time and attention to the business of the Company;

c) not, without the prior written consent of the Company, which consent may be withheld at the sole discretion of the Company, engage in any other business, profession or occupation, or become involved in any capacity, directly or indirectly, with any other employer or business, where the Executive's engagement or involvement conflicts or interferes with, or could reasonably conflict or interfere with at some future date, the Executive's performance of the duties and obligations of the Executive to the Company; and

d) comply and become familiar with all policies and procedures of the Company as amended or adopted from time to time. The Company reserves the right to introduce, administer, amend and/or delete policies and procedures in its sole discretion, and such actions will not constitute a breach of the terms of employment or constructive dismissal.

1.6. **D & O Insurance** – During the Term, the Company will maintain in effect as appropriate, and pay for, Directors and Officers liability insurance in an amount determined by the Board acting reasonably for the benefit of the Executive in respect of his holding such positions with the Company.

1.7. **Travel Insurance** – During the Term, the Company will maintain travel insurance for the Executive which, in addition to the standard coverage provided by travel insurance, will specifically provide coverage for travel delays or medical issues associated with Covid-19 or such other pandemic or geographic specific health crisis as declared by the World Health Organization and applicable to the area the Executive is required to travel to on behalf of the Company.

2. **COMPENSATION AND BENEFITS** – During the Term, LBC will pay the Executive the compensation and provide the benefits as set out in **Schedule "B"**, as amended from time to time, which sets out completely the compensation and benefits entitlement of the Executive for all hours worked and all services provided to the Company pursuant to this Agreement, except as otherwise required by the British Columbia *Employment Standards Act,* as amended or replaced from time to time, or such similar legislation as may be appropriate in the geographic location in which the Executive resides, (the **"ESA"**). For clarity, regardless of the number of hours worked, except to the minimum extent, if any, required by the ESA, the Executive is not entitled to any additional remuneration, overtime, or time off in lieu or in addition to the compensation and benefits set out in this **Schedule "B"**. LBC may, from time to time, at its sole discretion, adjust the Executive's compensation and benefits, and such changes will not constitute a breach of the terms of employment or constructive dismissal.

3. **EXPENSES AND EQUIPMENT**

3.1. **Expenses –** LBC will reimburse the Executive for reasonable business expenses incurred by the Executive in the furtherance of or in connection with the performance of the Executive's duties under this Agreement,as more particularly set out in Schedule "B".

4. **TERMINATION OF AGREEMENT AND EMPLOYMENT**

4.1. **Termination by the Executive** –The Executive's employment may be terminated by the Executive for any reason or no reason at any time. The Executive agrees that he shall provide LBC with sixty (60) days written notice of termination.

4.2. **Termination by LBC Without Just Cause** – In the event LBC terminates the employment of the Executive without Just Cause (defined below), the Executive shall be entitled to:

a) Any Accrued Wages (which includes any Base Salary that has been accrued but is unpaid and any vested vacation pay, vested benefits, and outstanding expense reimbursements);

b) Any (i) Annual Bonus as described in Schedule B and amended from time to time that the Compensation Committee of LBC has authorized as payable based on its determination of PCMs that have been accomplished during the applicable calendar year before termination of employment, payable at such time as provided in Exhibit B, plus (ii) Material Transaction Bonus based on an applicable transaction completed before the termination of employment but unpaid as of the date of termination of employment, payable at such time as provided in Exhibit B, plus (iii) any Material Transaction Bonus as described in Schedule B and amended from time to time for any applicable transaction completed during the relevant post-employment period specified in Exhibit B and payable at such time as provided in Exhibit B; and

c) two (2) months' Base Salary constituting severance payment plus one (1) additional month of Base Salary (up to a maximum of twenty-four (24) months' Base Salary) of severance payment for each completed year of service with LBC after the Effective Date. Such severance payment shall be paid as salary continuation payments made in accordance with LBC's regular payroll periods. Any severance payment that is scheduled to be paid prior to receipt by LBC of the general release noted below shall be held in escrow until such time as the general release has been received. Once the general release has been received from the Executive any escrowed severance payment amounts shall be paid with the next payroll period, but in any event no later than the 15th day of the third calendar month following termination.

Where this Agreement and the Executive's employment is terminated in accordance with this **Subsection 4.2**, the Executive agrees to execute, and not revoke, a full and final general release in favour of LBC, in a form to be provided by LBC to be completed in such period as required by applicable law and not to exceed 60 days after the last day of employment, as a condition precedent to receiving the compensation set out in this **Subsection 4.2**. If the Executive does not execute such a release or such release is otherwise revoked by the Executive as permitted by applicable law, the Executive will receive only his Accrued Wages.

4.3. **Termination by LBC for Just Cause** – In the event LBC terminates this Agreement and the Executive's employment with LBC at any time for Just Cause, the Executive shall only be entitled to his Accrued Wages. For purposes of this Agreement, the term "**Just Cause**" means[2]:

a) Executive's willful misconduct or gross negligence in connection with the performance of Executive's duties;

b) Executive's misappropriation or embezzlement of funds or property of the Company or one of its clients;

c) Executive's fraud or dishonesty with respect to the Company or its clients;

d) Executive's conviction of or entering of a guilty plea or plea of no contest with respect to any felony or any other crime involving moral turpitude or dishonesty;

e) Executive's breach of fiduciary duties owed to the Company or one of its clients;

f) The Company's receipt of any form of notice, written or otherwise, that any regulatory agency having jurisdiction over the Company intends to institute any form of formal or informal regulatory action against Executive or against the Company based on Executive's acts, omissions, or conduct;

[2] For the avoidance of doubt, any uses or definitions of the term "Just Cause" within any Canadian Employment Standards Act or similar legislation do not apply to this Agreement or this Agreement's use of that term.

g) Executive's exhibition of a standard of behavior within the scope of or related to Executive's employment that is materially disruptive to the orderly conduct of the Company's business operations (including, without limitation, substance abuse, sexual harassment, or sexual misconduct);

h) Executive's failure to perform Executive's duties and responsibilities under this Agreement to the satisfaction of the Company, including prolonged absences without the written consent of LBC; provided that the nature of such conduct shall be set forth with reasonable particularity in a written notice to Executive who shall have 10 days following delivery of such notice to cure such alleged conduct, provided that such conduct is, in the reasonable discretion of LBC, susceptible to a cure; or

i) Executive's material breach of this Agreement that is not cured within 20 days after written notice of such breach from LBC.

4.4. **Directorship and Offices** - Upon the termination of the Executive's employment with LBC for any reason, the Executive will immediately resign any directorship or office held in all of the entities forming the Company and, except as provided in this Agreement, the Executive will not be entitled to receive any additional payment for loss of office or otherwise.

5. **CONFIDENTIALITY**

5.1. **Definition of Company** – For the purposes of this **Section 5**, as well as **Sections 6 and 7** below, **"Company"** shall include the Company as defined in the preamble and any successor to LBC or other business entity that is related to or affiliated with the Company.

5.2. **Confidential Information** – For the purposes of this Agreement, "**Confidential Information**" means all information in any form, whether written, electronic, or oral, about or owned, used or licensed by the Company, including without limitation, information about their business operations, business interests, assets, liabilities, contracts, databases, computer software, scientific interests, clients and client lists, suppliers, credit information and pricing information, sales and marketing plans and strategies, proposals, research and development, new services or products research, financial data, technical information, employees and independent contractors, intellectual property, and all other information that is not generally, lawfully available to third parties or is treated by the Company as Confidential Information as well as all materials qualifying as trade secrets under applicable law. The Executive agrees that if he is uncertain as to whether any information constitutes Confidential Information, the Executive will treat such information as Confidential Information.

5.3. **Non-Disclosure of Information of the Company** – The Executive acknowledges that by reason of his employment he will have access to Confidential Information of the Company. The Executive understands and acknowledges the importance of maintaining the security and confidentiality of Confidential Information, both during the Term and indefinitely after the Term. The Executive will, both during and indefinitely after the Term, maintain the confidentiality of the Confidential Information. The Executive will use and disclose the Confidential Information only during the Term and only as required for the performance of the Executive's duties and obligations under this Agreement. The Executive will not use or disclose any Confidential Information for the Executive's personal advantage or the advantage of any other person or entity. The Executive will use and take all reasonable security measures to protect the Confidential Information from loss, theft and unauthorized use, access, disclosure, duplication, modification and deletion.

Nothing in this Agreement will prevent the Executive's use or disclosure of information to governmental agencies in accord with whistleblower protection laws, or prevent the Executive from disclosing information which is lawfully available to the public for unrestricted use other than through the wrongful act or omission by the Executive or any other person or which is required to be disclosed under applicable laws or legal process. Although the Executive does not need to seek approval from the company before reporting a whistleblower claim and does not need to notify the Company after the fact, if the Executive is otherwise required to disclose Confidential Information under applicable laws or legal process, the Executive will provide the Company with as much advance notice as possible to enable the Company to have the opportunity to contest the disclosure or to obtain a protective order, and the Executive will strictly limit such disclosure only to the Confidential Information which is legally required to be disclosed. The Executive will cooperate with the Company in any efforts to obtain a protective order or other remedy or recourse, which the Company may seek to obtain in this regard.

Notwithstanding anything herein to the contrary, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Employee files a lawsuit for retaliation for reporting a suspected violation of law, Employee may disclose the trade secret to Employee's or his attorney and use the trade secret information in the court proceeding, as long as Employee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

5.4. **Return of Confidential Information and Property** – All Confidential Information is the exclusive property of the Company. The Executive will at any time upon request by the Company, and immediately upon the termination of the Executive's employment, for any reason, promptly return to the Company all originals or copies of Confidential Information and any other property belonging to, or relating to the business of, the Company, whether stored or retained in any personal device or account.

6. **INTELLECTUAL PROPERTY**– All innovations, inventions, discoveries, improvements, devices, designs, practices, processes, methods, products or services that the Executive makes, develops, perfects, devises or reduces to practice during the Term that relate to the Company's business, or result from any work the Executive performs for the Company (collectively, the **"Company Intellectual Property"**), are the Company's sole property and shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. § 101 et seq., as amended). The Executive will promptly inform, and disclose to, the Company all Company Intellectual Property that the Executive creates alone or in collaboration with others whether or not the Executive conceived of such during normal business hours. The Executive hereby irrevocably and unconditionally transfers and assigns to the Company, and its successors and assigns, any and all of his rights (including moral rights), title and interest in and to any and all of the Company Intellectual Property, and any copyright, trademark, patent applications or patents thereon. The Company retains legal ownership of the product of the Executive's work and no Company Intellectual Property created by the Executive while employed by the Company can be claimed, construed, or presented as the Executive's property, even after termination of the Executive's employment. The Company Intellectual Property shall be considered the Company's Confidential Information subject to the restrictions described above. On the Company's reasonable request, the Executive will execute any document that the Company deems necessary to evidence the Company's ownership of any of the Company Intellectual Property to apply for and obtain intellectual property registrations in the Canadian Intellectual Property Office, or any foreign equivalents, for any of the Company Intellectual Property.

7. **RESTRICTIVE COVENANTS**

7.1. **Definitions** – For the purposes of this **Section 7**:

a) **"Customer"** means any person or entity with whom the Executive had material contact and to whom the Executive provided products or services on behalf of the Company, or to whom the Company provided products or services and about whom the Executive received Confidential Information during the course of the Executive's employment with the Company; provided that, after the termination of the Executive's employment for any reason, "Customer" will only include those persons or entities who the Executive knew was a Customer at any time during the twelve (12) months preceding the termination of the Executive's employment;

b) **"Competitive Business"** means any company that earns revenues or anticipates earning revenues from sales or licensing related to products developed or created by way of combining molecules together with dehydration processing for the purposes of enhancing the pharmacokinetic performance of active pharmaceutical ingredients; and

c) **"Personnel"** means any person or entity with whom the Executive had material contact and who the Executive knew was employed or engaged as a contractor by the Company during the course of the Executive's employment with the Company.

7.2. **Non-Solicitation** – During the Term and for a period of six (6) months after the termination of the Executive's employment for any reason, the Executive will not, directly or indirectly:

a) contact or communicate with any Customer for the purpose of offering for sale any products or services relating to the Competitive Business;

b) solicit, divert or take away from the Company the business of any Customer;

c) solicit or encourage any Personnel to terminate their relationship with the Company; or

d) entice or solicit away from the Company any Personnel for the purpose of competing with the Company in a Competitive Business.

7.3. **Non-Disparagement** – The Executive agrees that he will refrain from making any knowingly false and derogatory, negative or inaccurate statements about the Company or the Company's employees.

7.4. **No Conflicting Dutiesor Obligations** – The Executive represents and warrants to the Company that he does not owe, and he will not during the Term undertake or agree to, any contractual or other duties or obligations to any other person or entity which may conflict or interfere with this Agreement or any of the Executive's duties and obligations under this Agreement, or which may prevent the Executive from entering into this Agreement or performing any of the Executive's duties and obligations under this Agreement, including any non-solicit or non-compete duties or obligations.

7.5. **Other Duties** – The restrictions contained in **Section 5** (Confidentiality), **Section 6** (Intellectual Property) and **Section 7** (Restrictive Covenants) of this Agreement are in addition to, and do not derogate from, any other duties and obligations (including fiduciary obligations) the Executive may have to the Company under any applicable laws.

7.6. **Reasonableness of Restrictions** –

a) The Executive acknowledges and confirms that the obligations and covenants set out in **Section 5** (Confidentiality), **Section 6** (Intellectual Property), and **Section 7** (Restrictive Covenants) of this Agreement are reasonable and necessary to protect the legitimate interests of the Company and that he has received reasonable and sufficient consideration for same. Without limiting the generality of the foregoing, the Executive hereby acknowledges and confirms that, given, among other things, the nature of the Company's operations and the duties to be performed by the Executive hereunder, the geographic scope, duration and nature of the restricted activities set out in the aforesaid Sections are reasonable and necessary to protect the legitimate interests of the Company; and

b) The Executive acknowledges and agrees that the obligations and covenants set out in **Section 5** (Confidentiality), **Section 6** (Intellectual Property), and **Section 7** (Restrictive Covenants) of this Agreement will not preclude him from earning a reasonable livelihood following the cessation of his employment with LBC.

8. **GENERAL**

8.1. **Enforcement** – The Executive acknowledges and agrees that the covenants and obligations under **Section 5** (Confidentiality), **Section 6** (Intellectual Property), and **Section 7** (Restrictive Covenants) of this Agreement are reasonable, necessary and fundamental to the protection of the Company's legitimate business interests, and any breach of those covenants and obligations would result in loss and damage to the Company for which the Company could not be adequately compensated by an award of monetary damages. In the event of any actual or threatened breach of any of those covenants and obligations by the Executive, the Company will, in addition to all remedies available to the Company at law or in equity, be entitled as a matter of right to judicial relief by way of a restraining order and/or preliminary, interim, interlocutory or permanent injunction.

8.2. **Severability –** If any provision or part thereof of this Agreement is determined to be unenforceable or invalid for any reason, that unenforceable or invalid provision or part thereof will not affect the enforceability or validity of the remaining provisions of this Agreement which will remain in full force and effect, and any unenforceable or invalid provisions or parts thereof will be severable from the remainder of this Agreement.

8.3. **Waiver** – No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other of any or all of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act of the other of them, or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder or of the right, then or subsequently, to declare a default.

8.4. **Governing Law** – This Agreement and all related matters will be governed by, and construed in accordance with, the laws of Florida and the US federal laws applicable therein (excluding any choice of law rules). Any dispute arising from, connected with, or relating to this Agreement or any related matters will be resolved by the courts and tribunals of Florida, as applicable, and the parties hereby irrevocably submit and attorn to the original and exclusive jurisdiction of those courts and tribunals, as applicable.

8.5. **Continuing Application** – The terms of this Agreement will continue to apply throughout the Executive's employment, regardless of:

a) the Executive's length of service; or

b) any changes that may occur to the Executive's position, duties and responsibilities, compensation or benefits, or other terms of employment; or

c) any changes to the Company as a result of a reorganization, plan of arrangement, reverse take-over, merger or acquisition.

8.6. **Statutory Deductions and Withholdings; Tax Reporting** – All compensation, benefits and payments required to be made pursuant to this Agreement, including, but not limited to, termination payments, are subject to applicable statutory deductions and withholdings as required by applicable government statutes and regulations. LBC shall furnish to the Executive following each calendar year a United States Internal Revenue Service Form W-2 and any other tax information reporting forms as required by applicable government statutes and regulations, reporting all applicable amounts of compensation, benefits and payments required to be made pursuant to this Agreement.

8.7. **Enurement** - This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, personal representatives, permitted assigns, affiliates, subsidiaries, predecessors, liquidators, receivers, receiver managers, and trustees, as applicable.

8.8. **Assignment of Rights** - LBC may assign this Agreement to another person or entity. The Executive will not assign his rights under this Agreement, or delegate to others, any of the Executive's functions and duties under this Agreement without the express written consent of LBC, which consent may be withheld in LBC's sole discretion.

8.9. **Legal Advice** – The Executive acknowledges that it was recommended by LBC that the Executive obtain independent legal advice before executing this Agreement and represents that by executing this Agreement he has had the opportunity to do so. The Executive further acknowledges and agrees that he has read this Agreement, fully understands the terms of this Agreement, agrees that all such terms are reasonable, and agrees that the Executive is signing this Agreement freely, voluntarily and without duress.

8.10. **Entire Agreement –** This Agreement constitutes the entire agreement between the Executive and LBC regarding the Executive's employment with LBC and supersedes all prior oral or written understandings and agreements regarding the Executive's employment. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Executive and LBC other than as expressly set forth in this Agreement. Except as otherwise provided in this Agreement, any amendment or modification of this Agreement or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by each party.

8.11. **Survival** – All sections of this Agreement that, by their drafting, are intended to survive the termination of the Executive's employment, and all other provisions of this Agreement necessary for the interpretation or enforcement of any of those sections, will survive indefinitely after the termination of the Executive's employment for any reason.

8.12. **Section 409A** – To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"). This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A shall have no force and effect until amended to comply with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event any payment or benefit hereunder is determined to constitute nonqualified deferred compensation subject to Section 409A that is payable upon separation from service, then to the extent necessary to comply with Section 409A, (i) termination of employment shall mean "separation from service" as defined under Section 409A, and (ii) such payment or benefit shall not be made, provided or commenced until six months after the date of the Executive's separation from service. Lump sum payments will be made, without interest, as soon as administratively practicable following the six-month delay (or if earlier, the date of the Executive's death). Any installments otherwise due during the six-month delay will be paid in a lump sum, without interest, as soon as administratively practicable following the six-month delay, and the remaining installments will be paid in accordance with the original schedule. For purposes of Section 409A, the right to a series of installment payments shall be treated as a right to a series of separate payments. Each separate payment in the series of separate payments shall be analyzed separately for purposes of determining whether such payment is subject to, or exempt from compliance with, the requirements of Section 409A. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or additional taxes under Section 409A, amounts reimbursable to the Executive under this Agreement shall be paid to the Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to the Executive) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representations or warranties that the payments provided under the Agreement comply with, or are exempt from, Section 409A, and in no event shall the Company be liable for any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

8.13. **Section 280G** –

a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to the Executive or for the Executive's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the "**Payments**") would be subject to the excise tax imposed by Section 4999 (or any successor provisions) of the Code, or any interest or penalty is incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, is hereinafter collectively referred to as the "**Excise Tax**"), then the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Executive received all of the Payments. The Company shall reduce or eliminate the Payments, by first reducing or eliminating the portion of the Payments which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination.

b) All determinations required to be made under this Section, including whether and when an adjustment to any Payments is required and, if applicable, which Payments are to be so adjusted, shall be made by an independent accounting firm selected by the Company from among the four (4) largest accounting firms in the United States or any nationally recognized financial planning and benefits consulting company (the "**Accounting Firm**") which shall provide detailed supporting calculations both to the Company and to the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the "change in control of the Company" (within the meaning of Sections 280G and 4999 of the Code) to which the Payments relate, Employer shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

[signature page to follow]

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

LEXARIA BIOSCIENCE CORP.

Per:

"*Christopher Bunka*"
Authorized Signatory

"*Nelson Cabatuan*"
Nelson Cabatuan

Schedule "A"

Description of Duties

The Executive shall provide the following services to the Company, as determined by LBC:

(a) All duties of a chief financial officer with review and signing authority, controller, and/or treasurer of a publicly traded pharmaceutical / bioscience / biotechnology company including sourcing and/or negotiating financial proposals and corporate financings; managing accounts receivable and accounts payable; preparation and review of financial statements, notes and various annual, monthly, quarterly and other regulatory reports; preparation and review of monthly and other financial forecasts; communicating to the board of all financial-related documents as requested; management of accounting staff; in coordination with the CEO, communications with shareholders and preparation and review of budgets, and preparation and implementation of internal accounting policies and procedures; and any other duties that should be reasonably expected by the Board of Directors or chief executive officer;

(b) Collaborate with the president and/or chief executive officer to maintain and develop the financial reporting aspect only of the Company's corporate/investor outreach materials as needed including overall corporate messaging through direct creation and development of corporate presentations, powerpoints, websites, shareholder and community communications, business plans, fact sheets, etc.;

(c) Identify and evaluate opportunities for capital raising and/or strategic collaboration with suitable third-parties at appropriate points in time for the Company, including research, plan, propose, execute and close approved projects, acquisitions, mergers and partnerships, as well as locate and cultivate finance sources, all of which create value for the Company;

(d) Work as needed with auditors, lawyers, partners, shareholders and other stakeholders as required by the Company and assist with the 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"

Compensation and Benefits

1. Compensation

A. Base Salary

Starting on the Effective Date, LBC will pay to the Executive an annual salary of US$198,000 (the "**Base Salary**"), less the applicable statutory deductions and withholdings required by law. The Base Salary will be increased by US$12,000 on each of the first and second anniversaries of the Effective Date and thereafter may be increased from time to time in accordance with normal business practice and in the sole discretion of LBC and shall be paid in accordance with LBC's standard payroll practices.

LBC and the Executive agree that for internal accounting purposes, the Base Salary may be allocated from an account or accounts of the Company other than LBC, in amounts determined by the management of LBC, but that at no such time shall such allocations result in less than the aggregate Base Salary payable to the Executive. The Base Salary will be paid in accordance with LBC's payroll practices, which may be amended from time to time.

B. Out of Pocket Expenses

The Executive's out of pocket expenses incurred on behalf of the Company shall be paid by LBC (the "Disbursements"). The Disbursements must be pre-approved by either the CEO or the President and will be limited to the foregoing:

i. travelling and other costs actually and properly incurred by the Executive in connection with the Executive's duties hereunder, up to a maximum of US$3,000.00 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 Executive aware of the changed amount;

ii. specialized training and/or educational costs as authorized by the Company for the enhancement of any Services, up to a maximum of US$5,000.00 per year;

iii. stationery and printing costs;

iv. mileage allowance for personal vehicle use at US$0.67/mile when the Executive is required to use own vehicle for business purposes.

C. Bonus

1. Milestone Bonus

The Executive shall be eligible to receive a bonus equal in value to up to 35% of the Base Salary in the first calendar year ending during the Term, 40% of the Base Salary in the second calendar year ending during the Term and 50% of the Base Salary in the third calendar year ending during the Term (in each case the "**Annual Bonus**") based upon completion of performance criteria milestones ("**PCM**"s) to be approved by the Compensation Committee of the Board of LBC and disclosed to the Executive on an annual basis. The Annual Bonus is not earned until the appropriate PCM is achieved, and then awarded and paid by LBC (or such other Company account as designated for internal accounting purposes) after completion of the applicable calendar year and assessment of performance, which will conclude within sixty (60) business days following the calendar year end, with the earned Annual Bonus paid within the two following pay cycles (and in no event later than March 15 immediately following the end of the applicable calendar year).

In order to be eligible to receive an Annual Bonus, the Executive must be Actively Employed on the date or dates that the PCM was accomplished pursuant to which the Annual Bonus becomes payable. **"Actively Employed"**, in reference to a certain date, means that the Executive is employed by LBC (including being on vacation or being on a statutory or other leave authorized by LBC) on the applicable date. Except to the minimum extent, if any, required by the ESA, "Actively Employed" does not include:

(a) Any period following the date the Executive ceases to be employed by LBC upon termination of employment for any reason (whether voluntary or involuntary, and whether with or without just cause, and regardless of whether the termination is lawful or unlawful);

(b) Any period in relation to which LBC provides written notice or payment in lieu of notice in respect of such termination of employment, in accordance with section 4.2 of this Agreement, or the common law, if applicable; or

(c) Any period in relation to which LBC fails to give notice that ought to have been given pursuant to this Agreement or pursuant to any applicable law, including the common law, in respect of such termination of employment, and in relation to which damages may be awarded, including for the failure to provide such notice.

For further clarity,

if the Executive is not Actively Employed on the established payment date for an Annual Bonus but was Actively Employed when the PCM was accomplished, the Executive will be deemed to have earned the Annual Bonus, and he will be eligible to receive the portion of the Annual Bonus attributable to that PCM.

2. Material Transaction Bonuses

Change of Control

Subject to the exemption noted below, should a change of control ("**Change of Control**") occur in LBC during the Term of this Agreement or within 3 months after the termination of the Executive pursuant to sections 4.1 or 4.2, then the Executive shall be entitled to a lump sum bonus payment. Such lump sum bonus payment resulting from a Change of Control shall be equal to twelve (12) months of Base Salary if a Change of Control occurs during the first year of the Term, thirteen (13) months of Base Salary if a Change of Control occurs in the second year of the Term and fourteen (14) months of Base Salary if a Change of Control occurs in the third year of the Term or any subsequent year of the Term and shall be payable within ninety (90) days of such Change of Control (but in no event later than March 15 of the calendar year following the calendar year in which the Change of Control occurs).

In addition, should a Change of Control occur while the Executive is actively employed, any stock options or warrants to purchase common stock, as referred to in all existing and future agreements between LBC and the Executive, granted to the Executive (including any award that resulted from a substitution or replacement of equity awards upon Change of Control) shall become immediately vested and exercisable.

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 LBC 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) LBC is merged, amalgamated or consolidated into or with another Person and, as a result of such business combination, a Person who previously did not hold or held securities representing less than fifty percent (50%) of the votes exercisable by the holders of the Voting Stock of LBC, 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 LBC or of such Person into which the Voting Stock of LBC has been converted;

(c) The capital of LBC 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 LBC, 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 LBC;

(d) LBC 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 LBC, 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 LBC; or

(e) During any period of two consecutive years, individuals who at the beginning of any such period constitute the directors of LBC, or any directors whose appointment or election during such two-year period is endorsed by a majority of the members of the LBC's board of directors then service on the board (but excluding for such purpose any director whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consent by or on behalf of a Person other than the LBC board) cease for any reason to constitute at least a majority of the board of directors of LBC or any successor company thereof.

EXEMPTION

In the event that the Company becomes financially distressed, it is accepted that the Executive 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 is necessary in order to maintain the Company's assets and/or shareholder value, the entitlement to the Change of Control payment shall become null and void.

3. Affiliate Sale Bonus

Subject to the exemption noted below, should there be a sale of any of KMSC, Poviva, CanPharm, Nicotine, Pharma, Hemp, Holding, Nutra and/or FutureCos (collectively the "**Affiliates**") with each such sale being deemed an "**Affiliate Sale**", either during the Term of this Agreement or within 6 months after the Executive's termination pursuant to sections 4.1 or 4.2, then LBC shall be obligated to pay the Executive a one-time lump sum payment (the "**Affiliate Sale Entitlement**"). The Affiliate Sale Entitlement shall be in the amount equal to 0.5% of the gross value of such Affiliate Sale if such Affiliate Sale occurs in the first year of the Term, 0.75% of the gross value of such Affiliate Sale if such Affiliate Sale occurs in the second year of the Term and 1.0% of the gross value of such Affiliate Sale if such Affiliate Sale occurs in the third year of the Term, with all such determinations of gross value determined by the Compensation Committee of the LBC board. The Affiliate Sale Entitlement shall be paid to the Executive within 90 days of completion of the Affiliate Sale (but in no event later than March 15 of the calendar year following the calendar year in which the Affiliate Sale occurs).

An Affiliate Sale means any of the following events:

(a) If any individual, partnership, company, society, or other legal entity that does not currently: control; be controlled by; or is under common control with, LBC (a "**Person**"), alone or together with any other Person 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; or

(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.

EXEMPTION

In the event that the Company becomes financially distressed, it is accepted that the Executive will have failed in performing the Services to the extent necessary to create value and revenue for the Company. In such circumstances, if an Affiliate Sale is necessary in order to maintain the Company's assets and/or shareholder value, the entitlement to the Affiliate Sale Entitlement noted above, shall become null and void.

4. Incentive Equity Plan

The Executive will be entitled to participate in the Lexaria Incentive Equity Plan or any successor thereto, with such stock award amounts and exercise price, as applicable, to be determined by the Compensation Committee or the Board of Directors of LBC.

5. Vacation

The Executive will receive vacation time and pay in accordance with the Company's policies and procedures as amended from time to time by the Company in its discretion. Currently, the Executive is entitled to four (4) weeks' (i.e. 20 business days) of paid vacation, with an annual increase to such vacation entitlement of one (1) week up to a maximum of five (5) weeks' of vacation annually.

Vacation must be taken in accordance with procedures of the Lexaria Employee Handbook. Carryover of unused vacation into the following calendar year is permitted, however thereafter any unused vacation days will expire and LBC is not obligated to compensate the Executive for any such expired vacation days.

Upon termination of employment for any reason, the Executive will receive only the minimum vacation pay required to be provided pursuant to the ESA. Vacation pay will not be provided in relation to any common law period of notice for which payment in lieu of notice is provided, if any, and will not form part of any damages for wrongful dismissal or otherwise, except to the minimum extent (if any) required by the ESA.

6. **Sick Leave**

The Executive shall be entitled to paid sick leave in the amount provided in LBC's Employee Handbook which the Executive shall be required to review and sign as a part of his employment. Currently the Executive Handbook provides for 10 paid sick days and it is agreed by LBC and the Executive that at no time shall such paid sick days be reduced during the term of the employment.

7. **Paid Holidays**

The Executive shall be entitled to paid holidays for those days which the United States of America has designated as statutory holidays.

8. **Medical and Dental Benefits**

The Executive shall be entitled to reimbursement of his medical and dental benefits up to a maximum of US$2,800 per month.

Amended and Restated
INTELLECTUAL PROPERTY LICENSE AGREEMENT

This Amended and Restated Intellectual Property License Agreement is made and entered as of the 15th day of March, 2024 (the "**Effective Date**") by and between Lexaria Hemp Corp., a US corporation with offices at #100 – 740 McCurdy Road, Kelowna, British Columbia, Canada V1X 2P7, Canada (the "**LICENSOR**"), and Premier Anti-Aging Co., Ltd. a Japanese corporation with offices at Toranomon Hills Station Tower 34F, Toranomon 2-6-1, Minato-ku, Tokyo, Japan, 105-5534 (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 LICENSOR and Premier Wellness Science Co. Ltd. ("**PWS**") entered into an Intellectual Property License Agreement dated May 20, 2022 (the "**Original Agreement**");

WHEREAS on November 1, 2023 the LICENSEE completed an acquisition and merger transaction with PWS whereby all rights and liabilities of the Original Agreement were assigned to the LICENSEE;

WHEREAS the LICENSOR and the LICENSEE have agreed to replace the Original Agreement in its entirety with this Amended and Restated Intellectual Property License Agreement (the "**Agreement**") **upon payment by LICENSEE to LICENSOR of US$240,000 representing amounts currently owing and/or overdue under the Original Agreement (the "Outstanding Fees")**, which the LICENSOR confirms having received as at the date of this Agreement, so that only the rights, obligations and terms of this Agreement shall prevail and be in full force and effect;

WHEREAS all capitalized terms not otherwise defined below are defined in Exhibit D herein;

WHEREAS, LICENSEE is engaged in the business of developing, manufacturing, and selling consumer products for human use and is contemplating expanding such business to products that incorporate cannabidiol and/or other minor, non-psychoactive cannabinoids, terpenoids or other constituents extracted from hemp that is substantially free of tetrahydrocannabinol ("**THC**") pursuant to licenses issued by the authorities relevant in each and every geographic location referenced within this Agreement, pursuant to regulations promulgated thereby;

WHEREAS, LICENSOR 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 of LICENSOR (which shall include any Licensor's Improvements, as defined in Section 3) c)), and LICENSOR desires for LICENSEE to utilize the Technology with hemp ingredients generally regarded as being free of THC, but in any event containing no more than 0.01% THC to create, manufacture and/or sell End Products as 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 the Territory as is permitted by this Agreement or an addendum to this Agreement to sell or distribute the End Products;

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

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

NOW, THEREFORE, **for the payment of the Outstanding Fees and the agreement by LICENSOR to replace the Original Agreement with this Agreement and to waive any and all interest accrued and owing with respect to the Outstanding Fees and any fees that would have been payable under the Original Agreement,** and 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 license to use the Technology, to develop, test, make, sell, offer for sale and distribute the End Products during the Term of this Agreement, subject to the limitations in subsection a) below. Provided also that in the event that a Person 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, and such Person is entitled to all of the rights and benefits of the LICENSEE under this Agreement.

   a) **Limited Ability to Sublicense:** LICENSEE is expressly permitted to sublicense its license to use the Technology to a Partner or to a Related Entity (all as defined in Exhibit D), without LICENSOR's consent, provided that any sublicense issued by the LICENSEE to a Partner will be limited to one such sublicense in the Territory (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; provided, however, that LICENSEE may sub-license its license to a Person performing contract manufacturing for LICENSEE (a "Contract Manufacturer") so long as LICENSEE notifies LICENSOR of the name and address of such manufacturer prior to any sub-license. Any Sub-licensee 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, Related Entity or Contract Manufacturer, then LICENSEE shall at all times be responsible for the performance by such Partner, Related Entity or Contract Manufacturer, of LICENSEE's obligations hereunder. The LICENSEE shall not have any additional rights to sub-license the license to use the Technology unless the LICENSOR provides its prior written approval to such sub-license.

   b) **Other Products:** The Parties agree that LICENSEE is not limited to production of the End Products defined herein, but that LICENSEE may develop, create and test new products 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 within the Territory 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 strictly prohibited from developing, manufacturing or selling, whether directly or indirectly, including through its Partner, in its Territory, any End Product that is classified as, or is deemed to be, a pharmaceutical product by a national health regulatory agency and has been approved for use for specific therapeutic indications and/or any End Product that bears a label making either a therapeutic or structure/function claim ascribed to the active substances derived from hemp or can only be provided to end users upon physician consultation. The LICENSEE is further 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; (iv) an antiviral drug; (v) a phosphodiesterase type 5 inhibitor; (vi) a hormone; or (vii) any other active substance not specifically named and allowed within this Agreement.

2) **Non-Exclusivity and Term.** LICENSEE will have the following rights to produce and sell the End Products until August 31, 2025 (the "**Term**"), in the Territory using the Technology licensed pursuant to this Agreement. Upon completion of the Term, the LICENSOR and LICENSEE, upon mutual agreement made by no later than May 31, 2025, may extend the Term for an additional one year period.

a) **In the Territory:** Non-exclusive rights from 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 Territory, pursuant to the terms and conditions of this Agreement as per Section 4.

b) **Labels and Advertising for LICENSEE Branded End Products:** The LICENSOR shall grant a trademark license (the "**Trademark License**"), to the LICENSEE entitling the LICENSEE, 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 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 to the other Party's products, information or other intellectual property rights, either expressly or by implication, estoppel or otherwise.

a) **LICENSOR Intellectual Property:** LICENSOR, via its license from its parent company, retains its full, absolute, and complete rights to the Lexaria Trademarks and 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 (collectively "**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 for in Section 2, nothing in this Agreement or in the conduct of the Parties shall be interpreted as preventing LICENSOR from granting to any other Person a license for use of the Licensor IP or from using the Licensor IP in any manner whatsoever, provided that such use is outside of the Territory.

b) **LICENSEE Intellectual Property**: Any intellectual property resulting solely from LICENSEE's work, know-how, or development that does

c) Improvements and Research:

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. If LICENSEE develops any Licensee Improvements, LICENSEE will promptly provide LICENSOR with written notice of such Licensee Improvements to validate LICENSEE'S claim to Licensee Improvements. Following receipt of notice of such Licensee Improvements, LICENSOR shall have the exclusive option during the Term of this Agreement 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) Research: the Parties may choose to collaborate on research and development activities for mutual benefit. The determination to proceed with any joint research and development activities shall be determined on a case-by-case basis upon careful review of the merits of each project and the mutual consent by both Parties. Any data and/or results obtained from such collaborative research and development activities shall be held to the benefit solely of the Parties and shall not be used by one Party to the detriment of the other Party.

vi) Improvements and Research; Confidential Information. All Improvements and Research 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 joint inventors.

i) Prosecution and Maintenance of Jointly Owned Patents. The Parties shall cooperate to cause the filing of one or more patent applications covering any such Jointly Owned IP. The Parties will mutually agree upon which of them shall be responsible for filing, prosecution and maintenance of Jointly Owned IP. The expenses of such filing, prosecution and maintenance shall be equally shared by the Parties unless one of the Parties assigns all of its rights to the other Party. Both Parties agree to assist the other Party in enforcing its rights in the Jointly Owned IP. The costs of any such assistance or cooperation will be borne by the requesting party.

ii) Jointly Owned IP Rights. LICENSOR grants to LICENSEE, 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 Licensor IP shall remain vested in LICENSOR, and LICENSEE shall not assert any rights to the Licensor IP except as otherwise provided in this Section 3.

g) **Notice Requirements.** To the extent required by applicable rules and regulations LICENSEE agrees that it will include such patent notices and other proprietary notices on all End Products or related materials that contain any Technology as may be reasonably required by regulators in order to give appropriate notice of all intellectual property rights therein or pertaining thereto.

h) **Quality Control.**

i) LICENSEE agrees to maintain and preserve the quality of the Technology, and to use the Technology in good faith and in a manner consistent with the uses approved herein.

ii) LICENSEE shall (a) ensure that all End Products and related materials under the Technology are developed, tested, promoted, manufactured and distributed in a professional manner in compliance with all generally accepted industry standards, and (b) comply in all material respects with any and all laws, rules and regulations that are applicable to the development, testing, promotion, manufacture and distribution of the End Products and such related materials.

iii) Should the LICENSEE use the Lexaria Trademarks, the LICENSEE further agrees to comply with the requirements of subsections i) and ii) above with respect to the Lexaria Trademarks and further acknowledges that the LICENSOR shall have the right, upon 30 days' written notice to LICENSEE, to require LICENSEE to provide LICENSOR, or LICENSOR's nominee, with samples of the End Products for inspection or alternatively to allow for LICENSOR, or LICENSOR's nominee, to attend the facility of LICENSEE 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 Lexaria Trademarks and 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 LICENSEE learns of any activity by a third party that might constitute an infringement of LICENSOR's rights in any of the Technology, or if any third party asserts that LICENSEE's use of the Technology constitutes unauthorized use or infringement, LICENSEE shall so notify LICENSOR.

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 and/or Lexaria Trademarks, if applicable. If LICENSOR prosecutes any alleged infringement of the Technology and/or Lexaria Trademarks, or defends LICENSEE's right to use the Technology and/or Lexaria Trademarks, LICENSOR shall control such litigation and shall bear the expense of such actions. LICENSEE shall make all reasonable efforts to assist LICENSOR therewith, 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 all costs to be borne by LICENSEE. LICENSEE shall retain the award of any damages in this case.

ii) LICENSOR, or LICENSOR nominee, has the right of examination of LICENSEE financial statements, production records, shipping and warehouse slips and statements if and as required to substantiate reported production and sales levels used to determine royalty levels. Any information provided to LICENSOR 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 until the earlier of August 31, 2025 or the occurrence of a termination circumstance, as described in Section 4) b).

b) **Termination.** This Agreement and the licenses granted hereunder may be terminated as follows:

i) This Agreement may be terminated by LICENSOR by written notice to LICENSEE upon the occurrence of any of the following: (i) failure of LICENSEE to pay any license fees for more than sixty (60) days after they become due; (ii) LICENSEE's violation of the provisions of Sections 10 or 12 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 (i) written notice to LICENSOR in the event of material breach by LICENSOR of its obligations or representations and warranties under this Agreement, which breach is not cured within sixty (60) days after written notice of such breach from LICENSEE;

iii) This Agreement may be terminated by either Party if a Fee Adjustment, as governed by the provisions associated with such Fee Adjustment as set out in Schedule C, has not been mutually agreed to within the Renegotiation Period.

iv) If LICENSEE terminates without cause or if the license is terminated by LICENSOR due to LICENSEE's failure to pay any License Fees, LICENSEE acknowledges that it will be liable for the payment of a termination fee equal to all fees that would otherwise be due and payable during the Term (the "**Termination Fee**").

c) **Effect of Termination**. If this Agreement is terminated and LICENSEE must immediately cease and desist all utilization of the Technology and, if applicable, the Lexaria Trademarks, for any purpose whatsoever including to manufacture, distribute or sell End Products. Any sublicense entered into between LICENSEE and a 3rd Party Sublicensee, shall be assigned to LICENSOR and all payment obligations of the 3rd Party Sublicensee for the sublicense to the Technology shall be made directly to LICENSOR. Subject to the provisions of 4) d) below, LICENSEE may continue to distribute and sell End Products until all finished goods and raw materials inventory that pertain to the Technology have been sold and LICENSEE shall be obligated to pay LICENSOR any related License Fees (as defined in Section 5) for such sales.

d) **Destruction or Delivery of Inventory**. If the LICENSEE commits a material breach due to failure to pay any License Fees as set out in Exhibit C and further fails to cure such breach within sixty (60) days, LICENSOR has the right to require either (i) the destruction of all manufactured and unsold End Products and any ingredients prepared using the Technology for the purposes of creating End Products; or (ii) the delivery of all manufactured and unsold End Products and any ingredients prepared using the Technology for the purposes of creating End Products to the LICENSOR or a nominee of the LICENSOR. The LICENSOR shall have the further right to attend the facilities of the LICENSEE to witness such destruction of End Products and ingredients incorporating the Technology or to ensure that all such inventory has been delivered to the LICENSOR or the LICENSOR's nominee, at the LICENSOR's cost, or shall coordinate another method of validating such destruction or delivery with the LICENSEE.

e) **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.

f) **Change of Control**. In the event that LICENSEE is purchased as to 50.1% or more (a "**Change of Control**") by any entity, 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. All other terms and conditions of this Agreement remain in force if there is a Change of Control and also remain in force if there is a change of control as defined as the purchase of 50.1% or more of the equity of the LICENSOR by any single entity.

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, including standard operating procedures and study data, otherwise necessary to effectuate the license of the Technology contemplated herein available for LICENSEE.
ii) Upon request by LICENSEE, LICENSOR shall provide guidance on the procurement of the required equipment to effectively manufacture products enhanced with the Technology.
iii) Upon request by LICENSEE, LICENSOR shall provide LICENSEE with onsite or remote consultation, management services or marketing support in connection with LICENSEE's implementation and use of the Technology (including Licensor Improvements) during the term of this Agreement, with reasonable costs and 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 corporation duly organized and in good standing under the laws of Japan;
ii) the execution, delivery and performance of this Agreement by LICENSEE has been duly authorized by all necessary action on the part of LICENSEE's directors, managers and/or members 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) LICENSEE is 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 and confirms that 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 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, United States 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 Licensor IP does not infringe any third-party rights.

8) **Reliance.** The LICENSEE acknowledges that the LICENSOR is relying on the representations and warranties of the LICENSEE in the provision of this license to the Technology.

9) **Confidentiality.** In addition to the Confidentiality Agreement previously entered into by the Parties, at all times during the term of this Agreement 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 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.

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 any 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; (iii) any breach of LICENSEE's representations and warranties set forth herein; and (iv) any liability to third parties as a result of LICENSEE's production, distribution and/or sale of End Products, except as to any liability arising out of the proper use of the Technology.

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

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 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, LICENSEE agrees to comply with all applicable laws, statutes and ordinances of any state, city, province, county or local governmental authority and each regulatory body with jurisdiction in which the LICENSEE sells End Products or sublicenses the Technology, that may be applicable to LICENSEE or any 3rd Party Sublicensee, its activities under this Agreement or 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 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 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, and such Person is entitled to all of the rights and benefits of the LICENSEE under this Agreement. 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, sent by email or some other form of telecommunication, 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:
Premier Anti-Aging Co., Ltd.

Toranomon Hills Station Tower 34F
Toranomon 2-6-1, Minato-ku
Tokyo, Japan
105-5534

Att: Executive Officer and Head of New Business Development and Promotion Division –
Kiyoshi Iwakawa
kiwakawa@p-antiaging.co.jp

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 Province of British Columbia, Canada 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 Province of British Columbia, Canada 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 solely 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 Province of British Columbia, Canada.

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 a suit.

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"
PREMIER ANTI-AGING CO., LTD.

By: *"Kiyoshi Iwakawa"*
Kiyoshi Iwakawa, Executive Officer

By: "*Nobuyuki Hishinuma*"
Nobuyuki Hishinuma
Head of New Business Development

EXHIBIT A - TECHNOLOGY

The Technology consists of:

(1) all technical know-how and trade secrets in regard to the Licensor's business and the use, manufacture or formulation of its patented technology;

(2) the following patent applications, patents granted, and PCT International Patent Applications that are 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**"):

Granted Patents:

Issued Patent #	Patent Certificate Grant Date	Patent Family
US 9,474,725 B1	10/25/2016	#1 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	05/15/2018	
US 9,974,739 B2	05/22/2018	
US 10,084,044 B2	09/25/2018	
US 10,103,225 B2	10/16/2018	
US 10,381,440	08/13/2019	
US 10,374,036	08/06/2019	
US 10,756,180	08/25/2020	
AU 2015274698	06/15/2017	
AU 2017203054	08/30/2018	
AU 2018202562	08/30/2018	
AU 2018202583	08/30/2018	
AU 2018202584	01/10/2019	
AU 2018220067	07/30/2019	
EP 3164141	11/11/2020	
JP 6920197	07/28/2021	
CDN 2949369	06/13/2023	
AU 2016367036	07/30/2019	#2 Methods for Formulating Orally Ingestible Compositions Comprising Lipophilic Active Agents
JP 6963507	10/19/2021	
MX 388 203 B	11/26/2021	
AU 2016367037	08/15/2019	#3 Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	04/30/2021	
JP 6917310	07/21/2021	
MX 390001	02/10/2022	
JP 7232853	02/22/2023	
CDN 2984917	09/26/2023	
CDN 3093414	12/13/2022	#6 Transdermal and/or Dermal Delivery of Lipophilic Active Agents
JP 7112510	07/26/2022	#7 Lipophilic Active Agent Infused Compositions with Reduced Food Effect
AU 2019256805	06/16/2022	#8 Compositions Infused with Nicotine Compounds and Methods of Use Thereof
CDN 3096580	05/23/2023	
CDN 3111082	08/29/2023	#14 Lipophilic Active Agent Infused Tobacco Leaves and/or Tobacco Materials and Methods of Use Thereof
US 11,311,559	04/26/2022	#18 Compositions and Methods for Enhanced Delivery of Antiviral Agents
AU 2021261261	03/23/2023	
US 11,700,875	07/18/2023	#20 Compositions and Methods for Sublingual Delivery of Nicotine
CDN 3196911	12/05/2023	
US 11,666,544	06/06/2023	#21 Compositions and Methods for Treating Hypertension
US 11,666,543	06/06/2023	

Multiple Pending Patents:

US, Australia, Canada, The European Union, China, Japan, Mexico, and India

EXHIBIT B: END PRODUCT CATEGORIES

Product Line Name	**Product Line Description** **Specifically EXCLUDED from all Product Categories is any/all right to produce, package or sell any product that has been expressly prohibited under 1 c) of the Agreement**
Consumable Non-Liquid Products	Any product that can be produced in a solid oral format, including, but not limited to capsules, oral lozenges, food and candies; for further clarity, this product category includes powder or tablet products that are to be diluted into a liquid.
Consumable Liquids Products	Any READY TO CONSUME liquid products for consumption by way of ingestion.
Topical Skin Products	Any cream, oil, salve, gel, lotion, lip care preparation, cosmetic product, bath product, hair care product or similar consumer product designed to be delivered to and through human skin.

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) **Usage Fee.** For all End Products sold in the Territory during the Term, LICENSEE agrees to pay quarterly to LICENSOR a usage fee (the "**Usage License Fee**") commencing on the first anniversary of the Effective Date and continuing during the life of the Agreement equal to [**[1]]% any earned annual gross Revenues under US$5,000,000 and [**]% of any earned annual gross Revenues of US$5,000,000 or more from the sale of End Products, all as further defined in Exhibit D. LICENSEE agrees to pay the Usage License Fee for each product sold utilizing the Technology with each quarterly payment due net 30 days after said quarter.

(b) **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.

(c) **Minimum Performance:** LICENSEE agrees to a minimum sales performance clause. LICENSEE shall pay to LICENSOR, quarterly in arrears and net 30 days, the following minimum fee during the Term (the "**Minimum Fee**"), even if LICENSOR has not caused to be manufactured sufficient End Products that quarter to justify the Usage License Fee. This Minimum Fee is non-refundable and if the Usage License Fee totals more than this Minimum Fee in any given quarter then this Minimum Fee is waived for that quarter. Usage License Fees in excess of the Minimum Fee do not accrue for use in subsequent quarters.

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[1] [**]this information has been redacted as it contains commercially sensitive information relating to royalties.

Quarter	Minimum Fee (US$)
May 31, 2024	84,000
Aug. 31, 2024	84,000
Nov. 30, 2024	174,000
Feb. 28, 2025	174,000
May 31, 2025	174,000
Aug. 31, 2025	174,000

(d) **Trademark License**: the LICENSEE shall be issued a license for the use of the trademarks listed below (collectively the "**Lexaria Trademarks**") 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:

Word marks	Design marks
POWERED BY LEXARIA BIOSCIENCE	Powered by Lexaria BIOSCIENCE
POWERED BY DEHYDRATECH	Powered by DehydraTECH
DEHYDRATECH	

The LICENSEE shall not be permitted to make any variations to the LICENSOR's trademarks, except as approved by LICENSOR. The LICENSEE agrees that all right, title and interest in and to any intellectual property resulting from the LICENSEE's variations to the LICENSOR's trademarks shall be assigned to the LICENSOR.

Additionally, LICENSEE shall have the right to access any experimental trial findings made by Lexaria Bioscience Corp., (collectively 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.

(g) **Tax Adjustments**: LICENSEE and LICENSOR acknowledge that all fees payable pursuant to this Agreement, including, as applicable, the Territory License Fee, Usage License Fee, Termination Fee and Minimum Fee, may be subject to adjustment, as required, for the purposes of withholding any applicable taxes by the LICENSEE and/or repayment to the LICENSOR of any applicable taxes as required pursuant to any municipal, state, provincial or federal legislation.

EXHIBIT D

CERTAIN DEFINITIONS

"**Partner**" means any Person who either directly resells LICENSEE'S products or manufactures products based on LICENSEE's technology under the direction of the LICENSEE or a Related Entity and whose use of the Technology pursuant to a sublicense will be strictly for facilitating the LICENSEE's rights and obligations under the Agreement.

"**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;

"**Revenues**" means the gross revenue received by the LICENSEE from the sale, barter or trade of all End Products shipped to customers net of sales or value added taxes but specifically excluding income taxes;

EXAMPLE ONLY:

"US$4.99 plus taxes"

LICENSOR [**[2]] of Revenues US$[**]

"**Subsidiary**" means a corporation that is controlled directly or indirectly by another corporation

"Territory" means Japan

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[2] [**] this information has been redacted as it contains commercially sensitive information relating to royalties.

EXHIBIT E

PARTNER OBLIGATIONS FORM

<<< Insert Name >>> (the "PARTNER") agrees in writing to all obligations of Premier Anti-Aging Co., Ltd. (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 or in connection with their own End Products as a sublicensee of the LICENSEE, 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 _____ _____, _____.

"LICENSEE"
PREMIER ANTI-AGING CO., LTD.

By: _____
<<< Insert Signatory Name >>>

"LICENSOR"
LEXARIA HEMP CORP.

By: _____
<<< Insert Signatory Name >>>

"PARTNER"
<<< Insert Name >>>

By: _____
<<< Insert Signatory Name >>>

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, Christopher 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: April 9, 2024

/s/ Christopher Bunka
Christopher Bunka
Chief Executive Officer 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, Nelson Cabatuan, 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: April 9, 2024

/s/ Nelson Cabatuan
Nelson Cabatuan
Chief Financial Officer
(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, Christopher 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 February 29, 2024 (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: April 9, 2024

/s/ Christopher Bunka
Christopher Bunka
Chief Executive Officer 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, Nelson Cabatuan, 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 February 29, 2024 (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: April 9, 2024

/s/ Nelson Cabatuan
Nelson Cabatuan
Chief Financial Officer
(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.