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 **May 31, 2022**

or

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

For the transition period from **[ ]** to **[ ]**

Commission file number

LEXARIA BIOSCIENCE CORP.

(Exact name of registrant as specified in its charter)

Nevada	**20-2000871**
State or other jurisdiction of incorporation or organization	(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	NASDAQ
Warrants	LEXXW	NASDAQ

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.

5,950,998 common shares as of July 13, 2022

DOCUMENTS INCORPORATED BY REFERENCE
None.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	May 31, 2022 (Unaudited)	August 31, 2021 (Audited)
ASSETS		
Current		
Cash	**$ 7,051,083**	**$ 10,917,797**
Marketable securities	**288,032**	**833,841**
Accounts receivable	**154,868**	**342,401**
Inventory	**40,183**	**29,648**
Prepaid expenses and deposit	**757,308**	**319,253**
Total Current Assets	**8,291,474**	**12,442,940**
Non-current assets, net		
Lease right of use	**62,363**	**91,041**
Intellectual property	**440,675**	**364,623**
Property & equipment	**343,431**	**368,213**
Total Non-current Assets	**846,469**	**823,877**
TOTAL ASSETS	**$ 9,137,943**	**$ 13,266,817**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 157,095**	**$ 105,946**
Loan payable	**7,906**	**7,926**
Lease payable	**41,825**	**39,404**
Total Current Liabilities	**206,826**	**153,276**
Long Term		
Lease payable	**18,339**	**49,989**
Total Long Term Liabilities	**18,339**	**49,989**
TOTAL LIABILITIES	**225,165**	**203,265**
STOCKHOLDERS' EQUITY		
Share Capital		
Authorized:		
220,000,000 common voting shares with a par value of $0.001 per share Issued and outstanding: 5,950,998 common shares at May 31, 2022 and 5,726,699 common shares at August 31, 2021	**5,951**	**5,727**
Additional paid-in capital	**46,808,608**	**45,089,114**
Deficit	**(37,631,063)**	**(31,829,204)**
Equity attributable to shareholders of the Company	**9,183,496**	**13,265,637**
Non-controlling Interest	**(270,718)**	**(202,085)**
Total Stockholders' Equity	**8,912,778**	**13,063,552**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 9,137,943**	**$ 13,266,817**

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

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

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Revenue	$ 99,717	$ 204,055	$ 144,247	$ 691,717
Cost of goods sold	18,635	59,989	30,592	155,037
Gross profit	81,082	144,066	113,655	536,680
Expenses				
Research and development	752,095	454,443	1,486,487	823,102
General and administrative	1,747,325	2,256,175	4,497,660	4,097,765
Total operating expenses	2,499,420	2,710,618	5,984,147	4,920,867
Loss from operations	(2,418,338)	(2,566,552)	(5,870,492)	(4,384,187)
Gain on disposal of assets	-	-	-	1,522,704
Discontinued operations	-	-	-	(22,000)
Net and comprehensive loss for the period	$ (2,418,338)	$ (2,566,552)	$ (5,870,492)	$ (2,883,483)
Net and comprehensive loss attributable to:				
Common shareholders	$ (2,382,925)	(2,556,997)	$ (5,801,859)	(2,848,914)
Non-controlling interest	$ (35,413)	(9,555)	$ (68,633)	(34,569)
Basic and diluted loss per share				
Continuing operations	$ (0.41)	$ (0.50)	$ (1.00)	$ (0.70)
Discontinued operations	-	-	-	(0.01)
	$ (0.41)	$ (0.50)	$ (1.00)	$ (0.71)
Weighted average number of common shares outstanding				
- Basic and diluted	5,950,998	5,104,332	5,863,086	4,056,755

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

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

	Nine Months Ended May 31,	
	2022	2021
	(Unaudited)	
Cash flows used in operating activities		
Net loss and comprehensive loss	$ (5,870,492)	$ (2,861,483)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	519,718	410,007
Depreciation and amortization	77,986	83,788
Inventory write-off	-	2,482
Bad debt expense	-	37,000
Non-cash right of use lease expense	28,678	26,665
Gain on disposal of assets	-	(1,522,704)
Unrealized loss on marketable securities	823,916	86,810
Shares issued for services	600,000	-
Warrants issued for services	-	785,895
Lease accretion	4,166	6,179
Change in working capital		
Accounts receivable	(90,574)	(1,106)
Inventory	(9,196)	71,976
Prepaid expenses and deposits	161,945	11,656
Accounts payable and accrued liabilities	56,352	86,981
Due to related parties	(5,223)	(57,380)
Deferred revenue	-	(44,255)
Net cash used in operating activities	$ (3,702,724)	$ (2,877,489)
Cash flows used in investing activities		
Disposal (acquisition) of assets	(49,188)	273,375
Intellectual property	(81,407)	(79,493)
Net cash (used in) provided by investing activities	$ (130,595)	$ 193,882
Cash flows from financing activities		
Repayment of loan payable	-	(23,163)
Lease payments	(33,395)	(32,962)
Proceeds from issuance of equity	-	9,471,495
Net cash provided by (used in) financing Activities	$ (33,395)	$ 9,415,370
Net cash provided by discontinued operations	$ -	$ 83,000
Net change in cash for the period	(3,866,714)	6,814,763
Cash at beginning of period	10,917,797	1,293,749
Cash at end of period	$ 7,051,083	$ 8,108,512
Supplemental information of cash flows:		
Income taxes paid in cash	$ -	$ 3,450
Non-cash consideration on asset disposal	$ -	$ 1,171,599
Non-cash shares for services included in prepaid expenses	$ 600,000	$ -

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

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LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars, except number of shares)
(Unaudited)

	SHARE CAPITAL		ADDITIONAL PAID-IN			TOTAL STOCKHOLDERS'
	SHARES	AMOUNT	CAPITAL	DEFICIT	NCI	EQUITY
		$	$	$	$	$
Balance August 2020	**3,001,476**	**3,001**	**30,324,398**	**(27,802,198)**	**(42,943)**	**2,482,258**
Stock based compensation	-	-	48,887	-	-	48,887
Net loss	-	-	-	(696,028)	-	(696,028)
Non-controlling interest	-	-	-	-	(14,093)	(14,093)
Balance November 30, 2020	**3,001,476**	**3,001**	**30,373,285**	**(28,498,226)**	**(57,036)**	**1,821,024**
Stock based compensation	-	-	17,154	-	-	17,154
Brokered placement	2,102,856	2,104	9,469,393	-	-	9,471,497
Net Income	-	-	-	404,111	-	404,111
Non-controlling interest	-	-	-	-	(10,921)	(10,921)
Balance February 28, 2021	**5,104,332**	**5,105**	**39,859,832**	**(28,094,115)**	**(67,957)**	**11,702,865**
Stock based compensation	-	-	343,966	-	-	343,966
Warrants issued for services	-	-	785,895	-	-	785,895
Net loss	-	-	-	(2,556,997)	-	(2,556,997)
Non-controlling interest	-	-	-	-	(9,555)	(9,555)
Balance May 31, 2021	**5,104,332**	**5,105**	**40,989,693**	**(30,651,112)**	**(77,512)**	**10,266,174**
Exercise of warrants	610,189	610	4,014,433	-	-	4,015,043
Shares issued for services	12,178	12	84,988	-	-	85,000
Net loss	-	-	-	(1,178,092)	-	(1,178,092)
Non-controlling interest	-	-	-	-	(124,573)	(124,573)
Balance August 31, 2021	**5,726,699**	**5,727**	**45,089,114**	**(31,829,204)**	**(202,085)**	**13,063,552**
Stock based compensation	-	-	408,544	-	-	408,544
Net loss	-	-	-	(1,993,157)	-	(1,993,157)
Non-controlling interest	-	-	-	-	(10,325)	(10,325)
Balance November 30, 2021	**5,726,699**	**5,727**	**45,497,658**	**(33,822,361)**	**(212,410)**	**11,468,614**
Shares issued for services	224,299	224	1,199,776	-	-	1,200,000
Net loss	-	-	-	(1,425,777)	-	(1,425,777)
Non-controlling interest	-	-	-	-	(22,895)	(22,895)
Balance February 28, 2022	**5,950,998**	**5,951**	**46,697,434**	**(35,248,138)**	**(235,305)**	**11,219,942**
Stock based compensation	-	-	111,174	-	-	111,174
Net loss	-	-	-	(2,382,925)	-	(2,382,925)
Non-controlling interest	-	-	-	-	(35,413)	(35,413)
Balance May 31, 2022	**5,950,998**	**5,951**	**46,808,608**	**(37,631,063)**	**(270,718)**	**8,912,778**

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

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 ("APIs") using our patented drug delivery technology DehydraTECH™. Through continued validation of our research and development our focus is on national and international applications for DehydraTECH.

Revenues are primarily derived from licensing fees for the use of the Company's patented technology to partners who pay either a fee to use DehydraTECH in the manufacturing of their own products or through the purchase of DehydraTECH manufactured products made to their specifications by Lexaria. The Company has relationships with several consumer products companies in the CBD and nutraceuticals spaces that use Lexaria's technology in consumer goods being sold online and at retailers in the US and Canada.

The Company is headquartered in Kelowna, British Columbia, Canada. The corporate website is www.lexariabioscience.com

Going Concern Analysis

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 pay it operational, research and development and capital expenditures for a period of at least 12 months from the date this financial report.

Since inception, the Company has incurred significant operating and net losses. The losses attributable to common shareholders were $4.2m, $4.1m and $4.2m for the years ended August 31, 2021, 2020 and 2019, respectively. As of May 31, 2022, we had an accumulated deficit of $ 37.6m. 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 related expenditures, the receipt of additional payments on the licencing of our technology, if any, and the receipt of payments under any current or future collaborations we may enter.

On January 12, 2021, the Company closed an underwritten public offering for net proceeds of $9,471,497. In the fourth quarter of the year ended August 31, 2021, the Company received $4,015,043 from the exercise of warrants.

Until the Company is able to generate significant product revenue, operations will be supported with equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We may offer additional securities for sale during fiscal year 2022 or thereafter 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 and is in the best interests of our stockholders. The Company has the option to raise up to one-third of its aggregate market value of its common equity held by non-affiliates through the issuance of securities pursuant to a Registration Statement on Form S-3 (333-262402) as filed with the SEC on January 28, 2022 and declared effective on February 4, 2022.

To date, we have obtained cash and funded our operations primarily through equity financings and license agreements. In order to continue the development of our drug candidates, at some point in the future we expect to pursue one or more capital transactions, whether through the sale of equity securities, debt financing, license agreements or entry into strategic partnerships. There can be no assurance that we will be able to continue to raise additional capital in the future.

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 May 31, 2022, the Company had cash of approximately $7.0m. We believe this is sufficient to enable the Company to fund its operating and R&D expenses and any capital expenditure requirements through one year from the issuance date of these unaudited consolidated financial statements.

COVID-19

Impacts of COVID-19 Pandemic

The emergence of the COVID-19 pandemic in 2020 continues to present uncertainty and unforecastable new risks to the Company and its business plans. As of May 31, 2022, there has been no material impact on the Company's financial position as a direct result of the pandemic. However, the Company has experienced some supply chain disruptions and shortages in the procurement of ingredients and supplies used in both our R&D activities and production. Management views this situation as transitory but cannot predict the length of time it may take for these disruptions to dissipate or if there will be a significant economic effect on the Company's operations. In the interim, it may cause delays in carrying out our research studies and in our production schedules.

Restrictions on international travel presents a challenge in carrying out normal business activities related to corporate finance efforts and the pursuit of new customers throughout North America who might otherwise access the retail products of our licensees. As a result, the pandemic has increased the risk of lower revenues and higher losses.

During the year ended August 31, 2020, we received C$30,732 in COVID relief under the Canada Emergency Wage Subsidy programs for employees which reduced our employment costs in that year. During fiscal 2020 we also received C$40,000 from the Canadian Government sponsored Emergency Business Account loan program. As specified by the terms of this program, we repaid C$30,000 of the loan in fiscal 2021. The remaining $7,906 (C$10,000) of the loan payable is anticipated to be forgiven as directed under this program in the year ended August 31, 2023.

We continue to actively monitor the evolving effects of COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state, provincial, or local authorities, or that we determine are in the best interests of our employees and third parties with which we do business.

The economic effect of the pandemic combined with increased geopolitical uncertainty and rising inflation is expected to have an impact on the Company's future reporting periods. The effects are difficult to predict and could result in material financial impact on the Company's financial results.

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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, 2021.

3. 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., and Lexaria Pharmaceutical Corp., and our 83.333% owned subsidiary Lexaria Nicotine LLC (16.667% Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc.). All significant intercompany balances and transactions have been eliminated upon consolidation.

4. Basis of Presentation

The Company's unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles (US GAAP) have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Interim results are not necessarily indicative of results for a full year or 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, 2021.

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

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

In preparing these unaudited interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended August 31, 2021.

6. Recent Accounting Guidance

Pronouncements Issued but Not Yet Adopted

In October of 2021, the Financial Accounting Standards Board (FASB) issued an update to Government Assistance (Topic 832) to increase the transparency of government assistance and its disclosure in the notes to the financial statements. Amendments in this update take effect for annual periods beginning after December 31, 2021. Early application of the amendments is permitted. The Company does not expect the adoption of these standards to have a material impact on its consolidated financial statements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The FASB subsequently issued amendments to ASU 2016-13, which have the same effective date and transition date of January 1, 2023. These standards require that credit losses be reported using an expected losses model rather than the incurred losses model that is currently used, and establishes additional disclosures related to credit risks. For available-for-sale debt securities with unrealized losses, these standards now require allowances to be recorded instead of reducing the amortized cost of the investment. These standards limit the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and requires the reversal of previously recognized credit losses if fair value increases. The Company does not currently expect the adoption of these standards to have a material impact on its consolidated financial statements.

7. Accounts and Other Receivables

	May 31, 2022	August 31, 2021
	$	$
Trade and deposits receivable	51,251	16,553
Sale of assets – shares receivable	-	278,107
Sales tax receivable	103,617	47,741
	154,868	**342,401**

8. Inventory

	May 31, 2022	August 31, 2021
	$	$
Raw materials	31,366	29,648
Work in progress	8,817	-
	40,183	**29,648**

9. Intellectual Property

Patent costs: all non-US based patent-related costs incurred in connection with preparing, filing, maintaining and prosecuting patent applications are expensed as incurred due to the uncertainty in the recovery of the expenditures. Amounts incurred are classified in general and administrative expenses.

All related costs for US patents are recognized as Intellectual Property. When a US patent is granted, it is amortized over the remaining useful life. Any subsequent costs incurred for a US granted capitalized patent are expensed as incurred.

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

Issued Patent #	Patent Certificate Grant Date	Patent Family
US 9,474,725 B1	10/25/2016	Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	12/12/2017	
US 9,972,680 B2	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	
US 11,311,559	04/26/2022	Compositions and Methods for Enhanced Delivery of Antiviral Agents

A continuity schedule for capitalized patents is presented below:

Patents

	May 31, 2022 $	August 31, 2021 $
Balance – beginning	364,623	292,000
Addition	81,407	79,493
Amortization*	(5,355)	(6,870)
Balance – ending	**440,675**	**364,623**

*Patents are amortized over their legal life of20 years.

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10. Property & Equipment

Nine Months Ended May 31, 2022	Cost $	Period Amortization $	Additions $	Accumulated Amortization $	Net Balance May 31, 2022 $
Leasehold improvements	259,981	(40,528)	-	(181,176)	**78,805**
Computers	63,964	(8,691)	6,817	(60,241)	**10,540**
Furniture fixtures & equipment	31,126	(4,813)	-	(21,233)	**9,893**
Lab equipment	291,235	(19,874)	42,375	(89,417)	**244,193**
	646,306	**(73,906)**	**49,192**	**(352,067)**	**343,431**

For the nine months ended May 31, 2022, amortization of $1,339 (May 31, 2021 - $9,325) was included in the cost of goods sold.

Year Ended August 31, 2021	Cost $	Period Amortization $	Disposal $	Accumulated Amortization $	Net Balance August 31, 2021 $
Leasehold improvements	259,981	(54,038)	-	(140,648)	119,333
Computers	63,964	(19,681)	-	(51,550)	12,414
Furniture fixtures & equipment	34,220	(6,417)	(3,094)	(16,420)	14,706
Lab equipment	291,235	(35,008)	-	(69,475)	221,760
	649,400	**(115,144)**	**(3,094)**	**(278,093)**	**368,213**

11. Accounts Payable and Accrued Liabilities

	May 31 2022 $	August 31, 2021 $
Accounts Payable		
Trades payable	90,047	54,668
Sales tax payable	47,598	-
Related party payable	5,599	5,223
Accrued Liabilities		
Corporate tax payable	-	1,055
Trades payable	13,851	45,000
Balance	**157,095**	**105,946**

12. Common Shares and Warrants

In December of 2021, the Company entered a one-year media outreach agreement to SRAX Inc. and issued224,299 shares as consideration for an aggregate value of $1.2m of which $600,000 are included in prepaid expenses and deposits.

During the quarter ended May 31, 2022, the Company issued no warrants. A continuity schedule for warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price $
Balance August 31, 2020	**471,608**	**16.77**
Cancelled/expired	**(44,161)**	**67.50**
Exercised	**(610,189)**	**6.58**
Issued	**2,630,017**	**6.58**
Balance August 31, 2021	**2,447,275**	**8.00**
Cancelled/expired	(25,292)	4.57
Balance May 31, 2022	**2,421,983**	**8.04**

A summary of warrants outstanding as of May 31, 2022, is presented below:

# of Warrants	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price $
7,500	0.43 years	24.00
100,000	1.88 years	9.00
200,000	1.88 years	7.00
51,814	2.46 years	36.00
8,984	2.50 years	36.00
16,667	2.79 years	9.00
317,190	2.95 years	10.50
1,719,828	3.63 years	6.58
2,421,983	**3.28 years**	**8.04**

13. Stock Options

The Company has established the Equity Incentive Plan whereby the board of directors may, from time to time, grant stock options up to the equivalent of 10% of the number of common shares issued and outstanding to directors, officers, employees, and consultants. Stock options 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 exercise price of an option is equal to or greater than the closing market price of the Company's common shares on the day preceding the date of grant. The vesting terms of each grant are set by the board of directors.

During the quarter ended May 31, 2022, the Company granted 36,700 options at a strike price of $3.39 with a contractual life of 5 years. These options were awarded to employees, directors and contractors.

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, 2020	**171,604**	**11.17**		
Cancelled/expired	(50,334)	10.76		
Granted	84,900	5.41		
Balance August 31, 2021	206,170	8.90		
Cancelled	(3,334)	9.60		
Granted	81,800	6.23		
	36,700	3.39		
Balance May 31, 2022 (Outstanding)	321,336	6.59	**3.46**	**-**
Balance May 31, 2022 (Exercisable)	293,836	6.80	**3.62**	**-**

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

	May 31, 2022
Expected volatility	98% - 119%
Risk-free interest rate	0.85% - 1.78%
Expected life	5 years
Dividend yield	0%
Estimated fair value per option	$2.50 - $5.10

14. Revenues

	Nine Months Ended	
	May 31, 2022 $	May 31, 2021 $
Product sales	111,597	360,558
Licensing revenue	16,160	326,474
Other revenue	16,490	4,685
Income from operations	144,247	691,717

Product revenues of $112k and licensing usage fees of $16k represent a significant decrease, year over year, in intermediate product sales and related licensing usage fees during the nine months ended May 31, 2022.

15. Segment Information

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

Nine Months Ended May 31, 2022	IP Licensing $	Products $	Corporate $	Consolidated Total $
Revenue	16,160	111,597	16,490	144,247
Cost of goods sold	-	(30,592)	-	(30,592)
Operating expenses	(3,096,910)	(430,951)	(2,456,286)	(5,984,147)
Segment loss	(3,080,750)	(349,946)	(2,439,796)	(5,870,492)
Total assets	958,586	95,389	8,083,968	9,137,943

Nine Months Ended May 31, 2021	IP Licensing $	Products $	Corporate $	Consolidated Total $
External revenue	326,474	360,658	4,585	691,717
Cost of goods sold	-	(155,037)	-	(155,037)
Operating expenses	914,485	(402,846)	(3,909,802)	(3,398,163)
Discontinued operations	(22,000)	-	-	(22,000)
Segment income (loss)	1,218,959	(197,225)	(3,905,217)	(2,883,483)
Total assets	709,155	51,738	9,786,659	10,547,553

Capital Asset by Region Nine Months Ended May 31, 2022	Cost US $	Addition US $	Net Balance US $	Cost Canada $	Addition Canada $	Net Balance Canada $	Total Net Balance $
Leasehold Improvements	-	-	-	259,981	-	78,805	78,805
Computers	-	-	-	63,964	6,817	10,540	10,540
Furniture Fixtures Equipment	-	-	-	31,126	-	9,893	9,893
Lab Equipment	98,050	42,375	106,506	193,185	-	137,686	244,193
	98,050	**42,375**	**106,506**	**548,256**	**6,817**	**236,924**	**343,431**

Capital Asset by Region Year Ended August 31, 2021	Cost US $	Disposal US $	Net Balance US $	Cost Canada $	Net Balance Canada $	Total Net Balance $
Leasehold Improvements	-	-	-	259,981	119,333	119,333
Computers	-	-	-	63,964	12,414	12,414
Furniture Fixtures Equipment	3,094	(3,094)	-	31,126	14,706	14,706
Lab Equipment	98,050	-	69,580	193,185	152,180	221,760
	101,144	**(3,094)**	**69,580**	**548,256**	**298,633**	**368,213**

16. Commitments, Significant Contracts and Contingencies

Right of Use Assets – Operating Lease

The Corporate office and R&D laboratory located in Kelowna, British Columbia, Canada is leased until November 15, 2023, with a five-year renewal option. In addition to minimum lease payments, the lease requires us to pay, subject to annual adjustments, property taxes and operating costs.

	May 31, 2022	August 31, 2021
	$	$
Right of use assets – operating leases	126,920	126,920
Amortization	(64,557)	(35,879)
Total lease assets	62,363	91,041
Liabilities:	89,393	125,431
Lease payments	(33,395)	(43,950)
Interest accretion	4,166	7,912
Total lease liabilities	60,164	89,393
Operating lease cost	62,363	91,041
Operating cash flows for lease	33,395	43,950
Remaining lease term	1.4 Years	2.1 Years
Discount rate	7.50%	7.50%

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 May 31, 2022:

2022	$ 11,204
2023	$ 44,816
2024	$ 7,469
Thereafter	-
Total lease payments	$ 63,489
Less: imputed interest	(3,325)
Present value of operating lease liabilities	$ 60,164
Less: current obligations under leases	(41,825)
Total	$ 18,339

17. Prepaid Expenses and Deposits

Prepaid expenses consist of the following at May 31, 2022, and August 31, 2021:

	May 31, 2022	August 31, 2021
	$	$
Advertising & conferences	684,820	168,760
Consulting	-	18,750
Legal fees	25,000	31,380
Licence, filing fees, dues	26,250	19,500
Office & insurance	21,238	80,863
	757,308	**319,253**

18. Marketable Securities

The components of Marketable Securities were as follows:

	Cost Basis $	Unrealized Gains $	Unrealized Losses $	Total $
August 31, 2021				
Common stock	1,037,025	16,243	(219,427)	
Total	1,037,025	16,243	(219,427)	833,841
May 31, 2022				
Common stock	278,107	58,893	(882,809)	(545,809)
Total	1,315,132	75,136	(1,102,236)	288,032

Unrealized gains and losses on marketable securities are derived from Hill Street Beverage Company Inc. ("Hill Street") (TSX-V: HILL) common stock holdings and are due, in Managements opinion, to economic uncertainties in the market sector. Management views the unrealized losses as temporary impairments based on our evaluation of available evidence.

19. Discontinued Operations

On November 19, 2020, the Company entered a definitive asset sale agreement through its wholly owned subsidiary Lexaria CanPharm ULC to sell certain non-core business assets to Hill Street for gross proceeds of C$3,850,000.

With the closing of the sale on December 10, 2020, the Company received C$350,000 in cash, 6,031,363 restricted common shares at a fair value at C$500,000 as the first required equity-based payment, and a C$2,000,000 promissory note bearing interest at10% per annum. The promissory note was included at its nominal value of $NIL. To date, minimal interest payments have been received and are included in Other Income. Pursuant to the terms of the transaction, the Company received an additional C$1,000,000 worth of common shares of Hill Street and are included in Marketable Securities.

Gain on asset disposal	
Book value of assets sold	$ -
Cash consideration	273,373
Shares received	468,264
Shares receivable	781,067
Promissory note	-
	$ 1,522,704

The financial results of the group of assets sold are presented as income (loss) from discontinued operations, net of income taxes in our consolidated statement of income. The following table presents financial results of the assets:

	Nine Months Ended May 31,	
	2022	2021
Revenue	**$ -**	**$ 3,000**
Operating Expenses	**-**	**25,000**
Net Income (loss)	**$ -**	**$ (22,000)**

The following table presents cash flows of discontinued operations:

	Nine Months Ended May 31,	
	2022	2021
Cash flows used in discontinued operating activities		
Net income	**$ -**	**$ (22,000)**
Change in working capital	**-**	**105,000**
Net cash used in discontinued operating activities	**$ -**	**$ 83,000**
Net cash provided by discontinued operations	**$ -**	**$ 83,000**

20. Subsequent Events

As disclosed on our Form 8-K filed on June 9, 2022, Lexaria successfully filed a pre-Investigational New Drug ("IND") meeting request with the US Food and Drug Administration ("FDA"). The filing has been confirmed and a target date of July 30, 2022 for the meeting has been provided by the FDA, subject to certain conditions being met. The request for a pre-IND meeting formally initiates communications with the FDA regarding development of Lexaria's DehydraTECH-CBD for the treatment of hypertension. The purpose of the pre-IND meeting will be to confirm the details and acceptability of Lexaria's ongoing IND-enabling development program to be completed thereafter prior to proceeding with its full IND application filing.

As disclosed on our Form 8-K filed on June 3, 2022, the Company announced the signing of a commercial licensing agreement with Premier Wellness Science Co., Ltd. of Japan ("Premier"). Minimum quarterly payments to Lexaria will begin September 1, 2022, and, during the first five years of the Agreement, amount to US$4,527,500.

Under the terms of the Agreement, Premier is purchasing the rights to DehydraTECH technology for the Japanese non-pharmaceutical market for use with cannabidiol ("CBD") and hemp ingredients in oral liquid and non-liquid products, as well as for topical, hair-care, lip-care and cosmetics products. Premier Wellness Science Co., Ltd. is a wholly-owned subsidiary of Premier Anti-Aging Co., Ltd. which is listed on the Tokyo Stock Exchange Mothers division with securities code 4934.

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 29, 2021, 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$. All references to "C$" refer to Canadian dollars and 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, 2021.

Overview

Lexaria's patented DehydraTECH technology improves the delivery of bioactive compounds while promoting healthy ingestion methods, lowers overall dosing, and is highly effective in active molecule 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 Active Pharmaceutical Ingredients ("API") transport to the blood plasma and brain using the body's natural process for distributing fatty acids via the oral route. This technology extends across many categories beyond the primary pharmaceutical focus of the Company from foods and beverages to cosmetic products and nutraceuticals.

Research & Development

Lexaria is advancing several R&D activities in both preclinical and clinical programs. Currently, our primary research program is the investigation of cannabidiol (CBD) for the reduction of hypertension with a human clinical trial initiated in Q3, 2022 and three human clinical trials concluded in calendar 2021. Other programs include nicotine for oral pouches and nicotine replacement therapy, antivirals and related compounds for COVID-19 and other viral diseases, PDE5 inhibitors, hormones, 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.

During the quarter ended May 31, 2022, Lexaria incurred $752,095 (May 2021- $454,443) in R&D expenditures. Specific R&D programs are in ongoing development and align to our financial ability to undertake each research phase for each API. Due to our expanding portfolio coverage, we continually examine accelerated timetable options for testing, research, and development of each API. Fiscal 2022 continues to highlight the direction of our research and development programs with confirmatory results from our ongoing programs. We continue to devote an increasing proportion of our resources and focus towards pharmaceutical applications.

This focus has led to the successful completion of a letter to request a pre-IND meeting concerning DehydraTECH CBD with the FDA and it is anticipated that the FDA shall be providing its opinions on the details and acceptability of Lexaria's intended clinical trial program on or around July 30, 2022. Assuming the FDA's pending pre-IND meeting feedback is fairly aligned with the proposals Lexaria put forth in its request letter, it is anticipated that Lexaria will be authorized to proceed with its initial clinical trial to enable the development of its DehydraTECH CBD, subject to the approval of a full IND application filing, in late calendar 2022 or early 2023.

CBD Studies

In September 2021 the Company reported successful results from its HYPER-H21-2 human study of DehydraTECH-CBD in arterial stiffness.

In April 2022, the Company began its multi-week human clinical hypertension study, HYPER-H21-4 for which it had received Independent Review Board approval on December 29, 2021. HYPER-H21-4 is a double blinded, randomized cross-over design study with a placebo control of 60 volunteers aged between 40-70 years. Some volunteers will already be using leading standard of care hypertension drugs such as ACE inhibitors with or without diuretics which will help evaluate the efficacy of DehydraTECH-CBD with and without other hypertension treatments. The extended duration of the study will allow Lexaria to gather critical data monitoring of DehydraTECH-CBD over time and will evaluate the potential for longer term health benefits. Further, HYPER-H21-4 should "de-risk" outcomes prior to Lexaria's planned entry into regulatory pathways for the use of DehydraTECH-CBD to treat hypertension and possibly other forms of cardiovascular disease. Dosing for the study will be concluding in July 2022 with results to follow.

The HYPER-H21-4 study is entirely funded through the Company's existing cash resources and is not subject to any financing requirement.

In April 2022 the Company announced that all data analyses from its simulated pulmonary hypertension clinical study HYPER-H21-3 have been successfully completed with positive safety and efficacy findings. The study findings indicated a tendency (p=0.1) during 15 minutes of simulated low levels of oxygen (hypoxia) for reduced pulmonary artery systolic pressure ("PASP") with DehydraTECH-CBD treatment versus placebo. Most notably, PASP was significantly attenuated by about 5 mmHg or 41% overall (p=0.045) in male participants specifically suggesting differences by sex in responsiveness to CBD treatment under hypoxic stress conditions.

These new findings from HYPER-H21-3 will help direct prospective future research into the efficacy of DehydraTECH-CBD use for the management of elevations in pulmonary arterial pressure under hypoxic conditions (e.g., exposure to altitude), related hypoxemic pathologies (e.g., severe lung disease), and pulmonary hypertension.

Other API Studies

In October 2021 the Company reported results from its THC-A-21-1 in vivo study of DehydraTECH-THC showing it successfully elevated THC levels in blood plasma, requiring only 15 minutes at levels comparable to those achieved in 45 minutes with concentration-matched controls.

Lexaria also published results from its NIC-A21-1 in vivo trial of DehydraTECH-NICZ (nicotine benzoate) which was delivered via oral pouches. Favorable results were all statistically significant, supporting further evaluation. Lexaria plans to progress to a larger investigation in human volunteers of DehydraTECH-nicotine versus leading brands. Lexaria is currently in the design phase of this proposed human clinical study, which will be independently funded with existing capital.

On February 2, 2022, results of our PDE5-A21-1 animal study were published by the Company which illustrated that in as little as four minutes after dosing, the DehydraTECH formulation delivered 74% more sildenafil into the bloodstream on average than the concentration-matched, generic control formulation. Seven minutes after dosing, the DehydraTECH-sildenafil formulation achieved an average blood level higher than the generic sildenafil control formulation reached at any point during the study.

On March 15, 2022, the Company announced that the first phase of its epilepsy research program EPIL-A21-1 has commenced. The EPIL-A21-1 research program consists of two main studies to be performed in rodents following the first phase pilot animal model. The two main studies within the program are expected to begin in May/June 2022 and will involve both an acute seizure model induced by electrical stimulation ("MES") as well as a chronic chemically induced seizure model ("RISE-SRS"). Lexaria has selected these models because they have been previously employed by other researchers studying the antiepileptic effects of CBD including select study work funded by GW with its Epidiolex® formulation (PubMed Reference Number 30588604).

The Company continues to report progress on its R&D programs through its filing of Form 8-Ks and other public releases. The results of these programs can also be found on the Company's website: www.LexariaBioscience.com.

Patents

Our current patent portfolio includes patent family applications or grants pertaining to our method of improving bioavailability and taste, and the use of DehydraTECH as a delivery platform for a wide variety of Active Pharmaceutical Ingredients ("APIs") including, but not limited to, fat soluble vitamins; anti-viral drugs; phosphodiesterase inhibitors; human hormones; regulated cannabinoids, and nicotine and its analogs.

We will continue to pursue patent protection in more than 40 countries around the world as vigorously as we are able, since the successful granting of more of those applications could lead to material increases in shareholder value. The Company currently has over 50 patent applications pending worldwide.

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The Company's issued patents in the United States, Australia, Europe, India, Mexico, and Japan are as follows:

Issued Patent #	Patent Certificate Grant Date	Patent Family
US 9,474,725 B1	10/25/2016	Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	12/12/2017	
US 9,972,680 B2	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	
AU 2016367036	07/30/2019	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	Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	04/30/2021	
JP 6917310	07/21/2021	
AU 2019256805	06/16/2022	Compositions Infused with Nicotine Compounds and Methods of Use Thereof
US 11,311,559	04/26/2022	Compositions and Methods for Enhanced Delivery of Antiviral Agents

In November of 2021, we were advised that our first patent in Mexico, in the Company's second patent family, had been allowed.

On March 8, 2022, the Company announced it would be issued a new patent entitled "Compositions Infused with Nicotine Compounds and Methods of Use Thereof". The new Australian patent expands upon Lexaria's international intellectual property rights to apply DehydraTECH enhancement technology to most oral forms of nicotine, including pills, tablets, lozenges, capsules, pouches, gums and sprays. The patent covers many different forms of nicotine including free base nicotine, nicotine salts, polymer resins of nicotine and other forms of nicotine complexes.

On April 26, 2022 the Company was granted US Patent 11,311,559 for Compositions and Methods for Enhanced Delivery of Antiviral Agents. This is Lexaria's 25th patent granted worldwide.

Due to the complexity of pursuing patent protection, the quantity of patent applications will vary continuously as each application advances or stalls. The Company is also filing new patent applications for new discoveries that arise from the Company's R&D programs and, due to the inherent unpredictability of scientific discovery, it is not possible to predict if or how often such new applications might be filed.

Reverse Stock Split

On January 11, 2021, the Company filed an amendment and restatement of its articles of incorporation to effectuate a 1-for-30 reverse stock split of the issued and outstanding shares of common stock of the Company. The purpose of the reverse stock split was to meet Nasdaq's minimum stock price requirement. The reverse stock split did not change the number of authorized shares of common stock, which remains at 220,000,000 shares. All warrants, options, share and per share information in this Report gives retroactive effect to the 1-for-30 reverse stock split.

Public Offering

On January 14, 2021, the Company closed an underwritten public offering with the issuance of 2,102,856 shares of the Company's common stock priced at $5.25 per share with an equivalent number of five-year warrants at an exercise price of $6.58. Additionally, 227,161 Representative Warrants were issued as partial consideration to the underwriters of the offering that have a five-year term at an exercise price of $6.58. Net of fees and disbursements, the Company received net proceeds of $9,471,497.

LEXX Market Listing

The Company's common stock was uplisted from trading on the OTCQX under "LXRP" to the Nasdaq Capital Market where our common stock and certain of our warrants began trading under the symbols "LEXX" and "LEXXW", respectively, effective as of the opening of market trading on January 12, 2021.

The Company, trading under the symbol "LXX", voluntarily delisted from the Canadian Securities Exchange ("CSE") effective after the closing of trading on Wednesday, July 7, 2021. The overwhelming majority of trading had moved to Nasdaq and by delisting from the CSE the Company expected to realize savings in fees and managerial time and effort required to maintain a dual listing.

Asset Sale

On December 9, 2020, Lexaria CanPharm ULC ("CanPharm") completed a disposition (the "Disposition") of its use and licensing rights to use its DehydraTECH technology (the "Assets") specifically in association with non-pharmaceutical products containing cannabis molecules that contain 0.3% or greater THC. The purpose of the Disposition was to remove the Company's association with cannabis as it remains a Schedule 1 Drug and thereby eliminating any such regulatory restrictions cannabis products may create. The Disposition assisted the Company in obtaining a listing on the Nasdaq Capital Market ("Nasdaq") on January 12, 2021. As a result of the Disposition, CanPharm assigned to the purchaser, Hill Street, license agreements with three existing non-related party licensees.

In consideration for the Assets, Hill Street provided CanPharm with C$350,000 cash, a promissory note bearing a principal amount of C$2,000,000 and bearing an interest rate of 10% (the "Note") and C$1,500,000 in shares of Hill Street, issued in three tranches over a period of 16 months from the closing date. The repayment of the Note does not have a fixed maturity date and is based on quarterly installments equal to 5% of the gross sales realized by Hill Street of DehydraTECH enabled products. Due to the uncertainty pertaining to the settlement of the Note, management concluded that the note had $Nil value at the time of the sale and was recorded as such. Some of the factors considered in the $Nil valuation of the Note were that the legal sales of THC products in the US and Canada have little or no history which made the expectant quarterly payments very difficult to forecast. Further, Hill Street had no experience selling THC products and at the time of the sale was not licensed to produce and sell such products. Therefore, the Company considered risk of default high and the collectability of the Note as highly doubtful. Since the date of sale Hill Street has repaid $5k in the year-ended August 31, 2021. We have received a further $16k in the nine months ended May 31, 2022, included in other revenues, as payment toward the accumulated interest on the Note.

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Impact of COVID-19

The COVID-19 pandemic continues to present uncertainty and unforecastable new risks to the Company and its business plan. Restrictions on national and international travel and required business closures present challenges in carrying out normal business activities related to corporate finance efforts and the pursuit of new customers throughout North America who might otherwise access the retail products of our licensees. As a result, the pandemic has increased risk of lower revenues and higher losses. To date, we have not experienced a material impact on our financial statements, impairments of any of our assets or any major business disruptions, including with our vendors.

The extent to which the COVID-19 pandemic will impact the progress of our research and development programs is subject to future developments which are highly uncertain and cannot be predicted with confidence. We continue our efforts to be proactive in managing the impact from the pandemic, including various actions to communicate with suppliers, customers, and project participants as we may deem appropriate.

We have made modifications to our normal operations including requiring team members to work remotely on a staggered basis. To the extent possible, we are conducting business as usual, with necessary or advisable modifications to employee travel. At this time, these measures will continue in force for the near term.

We will continue to actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state, provincial, or local authorities, or that we determine are in the best interests of our employees and other third parties with whom we do business. We do not know when, or if, it will become practical to relax or eliminate some or all these measures entirely.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with 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. These estimates, judgments and assumptions are reasonable, based on information available to management at the time that such estimates, judgments and assumptions are made. 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 2 to our financial statements in our Annual Report on Form 10-K for the year ended August 31, 2021. There have been no material changes to the critical accounting estimates previously disclosed in our Annual Report on Form 10-K for the year ended August 31, 2021.

Capital Assets

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

Intellectual Property

US patent costs, included in intellectual property, represent legal costs incurred to establish US-granted patents. These capitalized patent costs are amortized on a straight-line basis over the remaining life of the patent. When US patents reach a mature stage, any associated legal costs, including typical maintenance fees, are expensed as incurred. In the nine months ended May 31, 2022, the Company recognized $81k (May 31, 2021 - $79k) attributable to capitalized patents. All other patent costs are expensed when incurred.

Revenue Recognition

Product Revenue

Revenue from the sale of products is recognized when an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured, which typically occurs upon shipment. The Company reports its sales net of actual sales returns.

Licensing Revenue from Intellectual Property

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

Usage Fees from Intellectual Property

We recognize revenue for usage fees when usage of our DehydraTECH intellectual property occurs by licensees infusing an API into one or more of their product lines for sale.

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 treating hypertension and infectious diseases. As we move forward with our Investigational New Drug application with the FDA, 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 May 31, 2022, we have funded our operations primarily with proceeds from the sale of our common stock. The Company has consistently incurred recurring losses and negative cash flows from operations, including net losses of $5,870,492 and $2,883,483 for the nine months ended May 31, 2022, and 2021, respectively.

The continuation of our Company as a going concern is dependent upon our Company 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 do raise 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. As of the issuance date of these consolidated interim financial statements, we expect our cash and cash equivalents of approximately $7.0m as at May 31, 2022, will be sufficient to fund our operating expenses and capital expenditure requirements through the forthcoming 12 months from the issuance date of this report.

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Results of Operations for our Period Ended May 31, 2022, and 2021

Our net loss and comprehensive loss for the nine months ended and the changes between those periods for the respective items are summarized as follows:

Results of Operations	Nine Months Ended May 31,		
	2022 $	2021 $	Change $
Revenue	144,247	691,717	(547,470)
Research and development	1,486,489	823,102	663,387
Consulting fees & salaries	1,672,825	2,304,280	(631,455)
Legal and professional	439,942	594,158	(154,216)
Other general and administrative	2,384,893	1,199,327	1,185,566
Discontinued operations	-	(22,000)	22,000
Net Loss	(5,870,492)	(2,861,483)	(3,009,009)

Revenue

Product revenues of $112k and licensing usage fees of $16k for the period ended May 31, 2022, constitute a significant decline in intermediate product sales and related licensing usage fees. Our primary licensee experienced significant delays in the rollout of their products with a large national chain, creating a surplus of inventory from 2021 product manufactured by Lexaria. The impacts of COVID-19 including supply chain issues and the delays in legislative amendments effecting the CBD industry in the US, have left the market flat throughout 2021 and 2022.

The abilities of other licensees to generate ongoing sales, thereby increasing product and usage fees, are expected to increase in the near term as new products are developed and gain market acceptance. We have continued strong interest in our intermediate products in the US, Japan and Europe but cannot predict how long the current market conditions will affect purchasing decisions of retail customers that ultimately affect the consumer product manufacturers that utilize our intermediate products. Nor can we predict when consumer spending might show sustainable growth in the effected market sectors that could translate into substantially increased licensing or usage revenues.

Our licensing revenues consist of IP licensing fees for the transfer of the Technology and usage fees that occur over time. IP licensing fees are due at the signing of definitive agreements for the Technology and can include payments due upon transfer of the Technology and installment payments that are receivable within 12 months. Licencing revenues are expected to increase in late 2022 and early 2023 as our newly signed licensees introduce their products using our DehydraTECH technology to market.

Subsequent to the quarter ended May 31, 2022, the Company announced the granting of an exclusive licence (subject to two previously issued licenses in Japan) to Premier Wellness Science Co., Ltd. for the Japanese non-pharmaceutical market for use with CBD and hemp ingredients in oral liquid and non-liquid products, as well as for topical, haircare, lip-care and cosmetics products. In order to retain ongoing exclusivity, the negotiated minimum quarterly payments to Lexaria begin September 1, 2022, and, during the first five years of the Agreement, amount to US$4,527,500. In addition to the minimum payments, Lexaria will also receive royalty revenue from DehydraTECH licensed product sales.

Research and Development

Expenditures on R&D increased by $633k for the period ended May 31, 2022, as the Company undertook several studies within its 2022 applied research and development program. Our primary focus in R&D has been on DehydraTECH-CBD to treat hypertension and our current study combined with our preparations for the filing of an IND (Investigative New Drug) application has contributed to a majority of the current expenditures.

Consulting Fees and Salaries

Our consulting fees decreased by $631k primarily due to non-cash stock-based compensation on options granted and vested ($728k) in the nine months ended May 31, 2021 and offset by a $99k increase in salaries in 2022 due to hiring within our R&D, investor relations and accounting departments.

Legal and Professional Fees

Our professional fees decreased by $154k during the period compared to the prior year period. The previous year's expenditures were higher due to increased patent and trademark filings, the up-list to the Nasdaq Capital Markets, and additional advisory services utilized. We recognize certain legal fees, tax advice fees, and accounting services all as "Professional Fees."

General and Administrative

General and administrative expenses during the nine months ended May 31, 2022, are up significantly year over year due to increased advertising ($563k) and unrealized losses increased by $737k. Otherwise expenses were generally lower. A gain on the sale of assets ($1.5m) was recognized in the nine months ended May 31, 2021.

Liquidity and Financial Condition

Working Capital	May 31, 2022 $	August 31, 2021 $
Current assets	8,291,474	12,442,940
Current liabilities	(206,826)	(153,276)
Net Working Capital	**8,084,648**	**12,289,664**

Cash Flows	Nine Months Ended May 31, 2022 $	2021 $
Cash flows (used in) provided by operating activities	(3,702,724)	(2,877,489)
Cash flows (used in) provided by investing activities	(130,595)	193,882
Cash flows (used in) provided by financing activities	(33,395)	9,415,370
Net cash flows (used in) discontinued operations	-	83,000
Increase (decrease) in cash	**(3,866,714)**	**6,814,763**

Operating Activities

Net cash used in operating activities for the nine months ended May 31, 2022, increased by $792k for the period compared with cash used in operating during the same period in 2021. This difference was largely due to the increased expenditures pertaining to R&D and our stakeholders outreach programs.

Investing Activities

Net cash used in investing activities increased by $324k due to increased spending on capitalized US patents filings and the purchase of equipment in the nine months ended May 31, 2022, compared to 2021 which saw an inflow of cash from the sale of assets to Hill Street.

Financing Activities

Net cash provided from financing activities during the period ended May 31, 2022, is attributed to the amortized right-of-use lease payments. Cash provided by financing activities in the nine months ended May 31, 2021, of $9.4m primarily related to the underwritten public offering that closed January 21, 2021.

Liquidity and Capital Resources

We have accumulated a large deficit since inception that has primarily resulted from executing our business plan, including R&D expenditures, in seeking to identify and develop our intellectual property patents for licensing and product creation. We expect to continue to incur losses for at least the short term.

To date, we have obtained cash and funded our operations primarily through equity financings and limited amounts from revenue generation while our licensees ramp up production and market expansions. We expect to continue to evaluate various funding alternatives on an ongoing basis as needed to maintain operations, to continue our research programs and to expand our patent portfolio. If we determine it is advisable to raise additional funds, there is no assurance that adequate funding will be available to us or, if available, that such funding will be available on terms that we or our stockholders view as favorable. Market volatility and global economics may have a significant impact on the availability of funding sources and the terms at which any funding may be available.

Short Term Liquidity

On May 31, 2022, we had $7.0m cash and $8.11m in working capital. Based on our current and upcoming research and development programs and our projected general and administration expenditures, we have determined that our cash resources are sufficient to allow us to continue operations through at least the next twelve months from the issuance date of this quarterly report.

Long Term Liquidity

It will require substantial cash to achieve our objectives for developing and patenting our intellectual property across all applicable market and industry segments. This process typically takes many years and potentially millions of dollars for each segment. If we pursue full commercial exploitation of all applicable market and industry segment opportunities, we will need to obtain significant funding from existing or new relationships, increasing revenue streams or from other sources of liquidity such as the sale of equity, issuance of debt or other transactions.

Cash requirements will vary depending on the results of our research programs and the requirements of each industry segment pursued. Pursuit of each segment will progress or be curtailed based on available sources of cash with which to execute individual segment business plans. The requirements will also be affected by transactions with existing or new relationships and the depth of regulatory requirements in each segment for compliance required to approve our IP and to market and license it. These changes to requirements and transactions may impact our liquidity as well as affect our expenditures.

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 Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our President and 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 May 31, 2022, the quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our CEO, President and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our CEO, President, and CFO concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of May 31, 2022.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Responsibility estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of consolidated financial statements in conformity with US GAAP. Our management assessed the effectiveness of our internal control over financial reporting as of May 31, 2022. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. Our management has concluded that, as of May 31, 2022, our internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Our management reviewed the results of their assessment with our Board.

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

Changes in Internal Control over Financial Reporting

During the quarter ended May 31, 2022, our controls and controls processes remained consistent with our fiscal year ended August 31, 2021. There have been no changes in our internal controls over financial reporting that occurred during the quarter ended May 31, 2022, that have materially or are reasonably likely to materially affect our internal controls over financial reporting.

Our control processes are designed to include remote workers, which we have utilized for many years. The advent of the COVID-19 pandemic has not materially impacted our internal controls over financial reporting other than increasing requirements for social distancing and some additional remote working requirements for staff.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

Much of the information included in this quarterly report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

The risks associated with our business, common stock and other factors were with those described in the consolidated financial statements for the year ended August 31, 2021.

Item 2. 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.

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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)
(10)	**Material Contracts**
10.1	Executive Employment Agreement dated Dec. 31, 2021 with John Docherty (Filed on Form 10-Q January 14, 2022 Exh 10.1)
10.2	Management Services Agreement dated Dec. 31, 2021 with C.A.B. Financial Services Ltd. (Chris Bunka) (Filed on Form 10-Q January 14, 2022 Exh. 10.2)
10.3	Redacted Intellectual Property License Agreement dated May 20, 2022 between Lexaria Hemp Corp. and Premier Wellness Science Co., Ltd.
(21)	**Subsidiaries**
21.1	List of Subsidiaries of the Registrant (Filed on Form 10-K November 29, 2021 Exh 21.1)
(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
Chief Executive Officer, Chairman and Director
(Principal Executive Officer)
Date: July 14, 2022

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
Chief Executive Officer, Chairman and Director
(Principal Executive Officer)
Date: July 14, 2022

By: /s/ John Docherty
John Docherty
President and Director
Date: July 14, 2022

By: /s/ Greg Downey
Greg Downey CPA, CMA
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: July 14, 2022

EXHIBIT 10.3

CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN EXCLUDED WHERE ITS DISCLOSURE WOULD BE COMPETITIVELY HARMFUL.

INTELLECTUAL PROPERTY LICENSE AGREEMENT

This Intellectual Property License Agreement (this "**Agreement**") dated as of May 20, 2022 (the "**Effective Date**") is made 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 Wellness Science Co., Ltd. a Japanese corporation with offices at Toranomon Hills Mori Tower 8F, Toranomon 1-23-1, Minato-ku, Tokyo, Japan, 105-6308 (together with its successors and assigns the "**LICENSEE**"). LICENSOR and LICENSEE are sometimes referred to individually herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

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

WHEREAS, LICENSEE is directly (or indirectly through a Partner, as further contemplated in Section 1) a) below) engaged in the business of developing, manufacturing, and selling consumer products for human use 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 either: (i) create, manufacture and/or sell End Products as described in Exhibit B; or (ii) sublicense the Technology to third parties to create, manufacture and/or sell End Products, all as of the Effective Date, subject to the terms and conditions set forth herein. Such End Products shall only be distributed and/or sold by LICENSEE, a Partner or a 3rd Party Sublicensee, 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, in consideration of the promises and the respective covenants and agreements of the parties contained in this Agreement, the Parties hereto agree as follows:

AGREEMENT

1) License of Technology: Subject to the terms and conditions of this Agreement, LICENSOR hereby grants to LICENSEE an exclusive (as defined in Section 2 below), non-transferable, sub-licensable, license to use the Technology, or sublicense 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. The LICENSEE acknowledges and agrees that the exclusivity of this license is subject to two historically issued licenses which authorize the use of DehydraTECH in products for sale within the Territory. 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 solely with respect to LICENSEE branded End Products then being sold or produced by the LICENSEE and/or any currently active sublicense to a 3rd Party Sublicensee.

a) Ability to Sublicense: LICENSEE is expressly permitted to sublicense its license to use the Technology to a Partner, Related Entity or 3rd Party Sublicensee (all as defined in Exhibit D), provided that any such sublicense is consented to in writing by the LICENSOR in advance. For a period of twelve (12) months from the Effective Date (the "**Initial Sublicense Term**"), LICENSEE shall be limited to ten (10) aggregate sublicenses issued collectively to Partners, Related Entities or 3rd Party Sublicensees in the Territory. Upon completion of the Initial Sublicense Term, the LICENSEE and LICENSOR shall consider the limitation on the sublicenses and shall mutually agree on whether any increase to such number is appropriate. In addition, LICENSEE may also sublicense its license to a Person performing contract manufacturing for LICENSEE or any sublicensee (a "**Contract Manufacturer**") provided that the LICENSOR provides its prior consent to the issuance of such sublicense. Any sublicense issued to a Contract Manufacturer shall form part of the aggregate ten (10) sublicenses during the Initial Sublicense Term that the LICENSEE is authorized to issue. Any sublicensee 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, 3rd Party Sublicensee or Contract Manufacturer, then LICENSEE shall at all times be responsible for the performance by such Partner, Related Entity, 3rd Party Sublicensee or Contract Manufacturer of LICENSEE's obligations hereunder. The LICENSEE shall not have any additional rights to sublicense the license to use the Technology unless the LICENSOR provides its prior written approval to such sublicense.

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) Exclusivity. LICENSEE will have the following rights to produce and sell the End Products perpetually, in the Territory using the Technology licensed pursuant to this Agreement, subject only to a mandatory compensation review and renegotiation (the "Fee Adjustment") beginning March 1, 2027 and must be completed before August 15, 2027 (the "Renegotiation Period").

a) In the Territory: Exclusive rights from the Effective Date allowing LICENSEE the exclusive ability to continue to manufacture the End Products directly or through its Related Entity or Partner in the Territory, or sublicense the Technology to a 3 rd Party Sublicensee, subject only to the determination of the Fee Adjustment during each Renegotiation Period, and pursuant to the terms and conditions of this Agreement as per Section 4.

b) Severance Fee: LICENSEE may elect to end sales of the End Products at its sole discretion with a severance fee ("Severance Fee") set forth in Exhibit C. If LICENSEE elects to end sales of the End Products, then any other licensing provision benefits for the LICENSEE with respect to the End Products also end at that time. Notwithstanding the foregoing, for a period of 6 months after such election is made, LICENSEE shall be permitted to sell End Products using the Technology in an attempt to sell all finished goods inventories pertaining to the Technology.

c) 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 Powered by Lexaria Bioscience word trademark and the associated pinwheel & leaf design trademark and, if there is available space, the DehydraTECH word mark (the "Lexaria Trademarks") in the manner set forth in Exhibit C. Specifically prohibited is the use of the Lexaria Trademarks by any 3rd Party Sublicensee on their own branded End Products unless, such 3rd Party Sublicensee enters into a separate trademark license agreement with the LICENSOR.

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 not include nor rely upon the Licensor IP or jointly owned intellectual property, as described in this Agreement, shall be owned by LICENSEE ("**Licensee IP**").

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.

v i) 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 perpetually, until one or more of the termination circumstances, as described in Section 4) b), occurs.

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 Territory Exclusivity License Fees and all Minimum Performance fees that would otherwise be due and payable in the (24) twenty-four months following LICENSEE termination (the "**Termination Fee**").

c) Effect of Termination. Except as provided for in Section 5, LICENSEE's payment obligations shall extinguish 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) Right of First Refusal. For a period of three (3) years from the Effective Date, the LICENSOR shall provide the LICENSEE with a Right of First Refusal ("**ROFR**") to the issue of any license for the Technology in the nations of the People's Republic of China and the Republic of Korea (the "**ROFR Nations**"). The ROFR expires immediately if this Agreement is terminated for any reason or if the LICENSEE is deficient in the payment of any License Fee required under this Agreement. The ROFR shall be exercised in the following manner:

a) if the LICENSOR has negotiated the terms of a license to the Technology with a third party in a ROFR Nation, the LICENSOR shall provide the LICENSEE with notice of such potential license detailing the terms and conditions of the license and the associated payments for same (the "**ROFR Notice**");

b) within fourteen (14) calendar days of receiving the ROFR Notice, the LICENSEE must advise the LICENSOR of its desire to exercise its ROFR and to agree to the terms of the license as outlined in the ROFR Notice or alternatively, to confirm that it will not be exercising its ROFR. A failure to respond within the fourteen (14) calendar days of receiving the ROFR Notice shall be deemed to be a confirmation by the LICENSEE that it will not be exercising its ROFR;

c) upon confirmation by the LICENSEE that it will be exercising its ROFR with respect to any ROFR Notice, the Parties agree to enter into a definitive license agreement formalizing the terms noted in the ROFR Notice within sixty (60) calendar days of such confirmation.

7) 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.

8) 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.

9) 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.

10) 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.

11) 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.

12) 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.

13) 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.

14) 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.

15) 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.

16) 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.

17) 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.

18) 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.

19) 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.

20) 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 solely with respect to LICENSEE branded End Products then being sold or produced by the LICENSEE. LICENSOR may freely assign this Agreement or any rights under this Agreement or delegate any duties under this Agreement without LICENSEE's consent provided that the assignee agrees to assume all of LICENSOR's obligations and liabilities hereunder. This Agreement inures to the benefit of, and shall be binding upon, the successors and assigns of the parties to this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their respective successors and permitted assigns.

21) 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.

22) 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 Wellness Science Co., Ltd.

Toranomon Hills Mori Tower 8F
Toranomon 1-23-1, Minato-ku
Tokyo, Japan
105-6308

Att: Shinji Hosoyama

shosoyama@p-wellnessscience.co.jp

If to LICENSOR:
Lexaria Hemp Corp.
#100-740 McCurdy Rd
Kelowna, BC Canada V1X 2P7
Attn: Chris Bunka
cbunka@lexariabioscience.com
Fax: 250-765-2599

No objection may be made to the manner of delivery of any notice or other communication in writing actually received by a Party.

23) 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.

24) 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.

25) 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.

26) 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.

27) 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.

28) 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.

29) 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.

30) Headings. The headings of sections are provided for convenience only and will not affect the construction or interpretation of this Agreement.

31) 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.

32) 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.

33) 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.

34) 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.

35) 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.

36) 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.**	**"LICENSEE"** **PREMIER WELLNESS SCIENCE CO., LTD.**
By: *"John Docherty"* John Docherty, President	By: *"Shinji Hosoyama"* Shinji Hosoyama, CEO
By: *"Chris Bunka"* Chris Bunka, CEO	By: *"Hiro Takeuchi"* Hiro Takeuchi, Head of R & D

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	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	
AU 2016367036	07/30/2019	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	Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	04/30/2021	
JP 6917310	07/21/2021	
AU 2019256805	03/03/2022	Compositions Infused with Nicotine Compounds and Methods of Use Thereof
US 11,311,554	04/26/2022	Compositions and Methods for Enhanced Delivery of Antiviral Agents

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) **Territory Exclusivity License Fee.** LICENSEE agrees to pay to LICENSOR an annual license fee of US$[**] per year commencing on the first anniversary of the Effective Date of the Agreement and payable in quarterly installments of US$[**] due net 30 days after said quarter with the first quarter commencing on September 1, 2023 and the first Territory Exclusivity License Fee payable net 30 days of November 30, 2023. for access to use the Technology everywhere in the Territory ("**Territory License Fee**"). The Territory License Fee may be waived, at the sole discretion of the LICENSOR, on or after the sixth anniversary of the Effective Date, provided that the LICENSEE, during the fifth year of this Agreement has consistently maintained a market share for its End Products equal to nine percent (9%) of the aggregate market share in the Territory for similar products.

(b) **Usage Fee.** For all End Products sold in the Territory AFTER the first anniversary of the Effective Date, 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 [**]% any earned annual gross Revenues under US$5,000,000 and [**[1]]% 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 with the first quarter commencing on September 1, 2023 and the first Usage License Fee payable net 30 days of November 30, 2023.

(c) **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.

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

(d) **Minimum Performance:** LICENSEE agrees to a minimum sales performance clause. LICENSEE shall pay a minimum fee of US$16,875 per quarter until the first anniversary of the Effective Date, US$60,000 per quarter until the second anniversary of the Effective Date, US$150,000 per quarter until the third anniversary of the Effective Date and thereafter until the completion of the Renegotiation Period, US$332,500 per quarter (the "**Minimum Fee**") to LICENSOR quarterly in arrears and net 30 days, 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 the first Minimum Fee shall be payable for the quarter commencing on September 1, 2022 and ending on November 30, 2022. If the Usage License Fee totals more than this Minimum Fee in any given quarter AFTER the first anniversary of the Effective Date, 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.

(e) **Fee Adjustment**: the Fee Adjustment to be negotiated during the Renegotiation Period of this perpetual license shall be negotiated on mutually agreeable terms and on a best efforts basis. The competitive performance of the LICENSEE in the national Japanese marketplace will be the primary determinant of Fee Adjustment details, such that if market share penetration is high, Minimum Performance fees and/or Territory Exclusivity License Fees may be waived by the LICENSOR but are likely to be preserved or increased if LICENSEE is not achieving expected market share penetration. If the Parties are unable to reach agreement on the Fee Adjustment, then all existing terms of this Agreement will remain in place.

(f) **Trademark License**: the LICENSEE shall be issued a license for the use of the POWERED BY LEXARIA BIOSCIENCE word trademark and the associated pinwheel & leaf design trademark to be placed on the End Products, in the following manner, in a type size large enough to be readable by Persons with average vision:

The LICENSEE may also use, in addition to the above-noted trademarks, the LICENSOR's word marks:

DehydraTECH
Powered by DehydraTECH

And the Licensor's design mark:

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., including any follow-on studies to its 2018 randomized, placebo-controlled, double-blinded European human clinical study regarding the effectiveness of the Technology on CBD absorption rates and associated cardiovascular benefits as published in the peer reviewed medical journal *Advances in Therapy* 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

"**3rd Party Sublicensee**" means any party operating within the Territory who the LICENSEE wishes to issue a sublicense to the Technology for the purposes of such party creating, manufacturing and selling End Products under its own brand.

"**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; or the revenues received from any 3rd Party Sublicensee of the LICENSEE.

EXAMPLE ONLY:

"US$4.99 plus taxes"

LICENSOR 4% of Revenues US$0.20

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

"Territory" means Japan

EXHIBIT E

PARTNER OBLIGATIONS FORM

<<< Insert Name >>> (the "PARTNER") agrees in writing to all obligations of Premier Wellness Science 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 WELLNESS SCIENCE CO., LTD.

By: _____
Shinji Hosoyama

"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, Chris Bunka, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lexaria Bioscience Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 14, 2022

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

EXHIBIT 31.2

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

I, Gregory Downey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lexaria Bioscience Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 14, 2022

/s/ "Gregory Downey"
Gregory Downey CPA, CMA
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, Chris Bunka, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Lexaria Bioscience Corp. for the quarter ended May 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: July 14, 2022

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

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

EXHIBIT 32.2

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

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

(1) the Quarterly Report on Form 10-Q of Lexaria Bioscience Corp. for the quarter ended May 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: July 14, 2022

/s/ " Gregory Downey "
Gregory Downey CPA, CMA
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.