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, 2023**

or

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

For the transition period from [ ] to [ ]

Commission file number **000-52138**

LEXARIA BIOSCIENCE CORP.

(Exact name of registrant as specified in its charter)

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

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

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the last 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit files).

Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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

8,091,650 common shares as of **July 14, 2023**

DOCUMENTS INCORPORATED BY REFERENCE
None.

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	May 31, 2023	August 31, 2022
ASSETS		
Current		
Cash	$ 3,163,906	$ 5,813,218
Marketable securities	269,560	347,335
Accounts receivable	172,284	201,784
Inventory	-	38,418
Prepaid expenses and deposit	629,740	576,761
Total Current Assets	4,235,490	6,977,516
Non-current assets, net		
Right of use assets	178,127	52,444
Intellectual property	549,122	488,462
Property & equipment	276,898	315,505
Total Non-current Assets	1,004,147	856,411
TOTAL ASSETS	$ 5,239,637	$ 7,833,927
LIABILITIES and STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,023,587	$ 151,449
Lease payable	32,317	42,587
Total Current Liabilities	1,055,904	194,036
Long Term Liabilities		
Lease payable	142,587	7,401
Total Long Term Liabilities	142,587	7,401
TOTAL LIABILITIES	$ 1,198,491	$ 201,437
Stockholders' Equity		
Share Capital		
Authorized: 220,000,000 common voting shares with a par value of $0.001 per share Common shares issued and outstanding: 8,091,650 and 5,950,998 at May 31, 2023 and August 31, 2022, respectively	$ 8,091	$ 5,951
Additional paid-in capital	48,911,507	47,041,481
Deficit	(44,524,108)	(39,098,528)
Equity attributable to shareholders of the Company	4,395,490	7,948,904
Non-controlling Interest	(354,344)	(316,414)
Total Stockholders' Equity	4,041,146	7,632,490
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,239,637	$ 7,833,927

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three-Months Ended May 31,		Nine-Months Ended May 31,	
	2023	2022	2023	2022
Revenue	$ 93,150	$ 99,717	$ 229,641	$ 144,247
Cost of goods sold	12,747	18,635	31,500	30,592
Gross profit	$ 80,403	$ 81,082	$ 198,141	$ 113,655
Expenses				
Research and development	1,640,648	752,095	3,166,315	1,486,487
General and administrative	823,321	1,747,325	2,495,336	4,497,660
Total operating expenses	$ 2,463,969	$ 2,499,420	$ 5,661,651	$ 5,984,147
Net Loss	$ (2,383,566)	$ (2,418,338)	$ (5,463,510)	$ (5,870,492)
Net loss attributable to:				
Common shareholders	$ (2,371,505)	$ (2,382,925)	$ (5,425,580)	$ (5,801,859)
Non-controlling interest	$ (12,061)	$ (35,413)	$ (37,930)	$ (68,633)
Basic and diluted loss per share	$ (0.37)	$ (0.41)	$ (0.89)	$ (1.00)
Weighted average shares outstanding - Basic and diluted	6,440,998	5,950,998	6,116,126	5,863,086

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine-Months Ended May 31,	
	2023	2022
	(Unaudited)	
Cash flows used in operating activities		
Net loss	**$ (5,463,510)**	**$ (5,870,492)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	**160,748**	**519,718**
Depreciation and amortization	**74,469**	**77,986**
Noncash right-of-use lease expense	**30,882**	**28,678**
Unrealized loss on marketable securities	**77,775**	**823,916**
Shares issued for services	**-**	**600,000**
Lease accretion	**1,961**	**4,166**
Change in operating assets and liabilities		
Accounts receivable	**29,500**	**(90,574)**
Inventory	**43,069**	**(9,196)**
Prepaid expenses and deposits	**(52,979)**	**161,945**
Accounts payable and accrued liabilities	**872,138**	56,352
Due to related parties	-	**(5,223)**
Operating lease liability	**(33,610)**	-
Net cash used in operating activities	**$ (4,259,557)**	**$ (3,702,724)**
Cash flows used in investing activities		
Purchase of equipment	**(33,748)**	**(49,188)**
Intellectual property	**(67,425)**	**(81,407)**
Net cash used in investing activities	**$ (101,173)**	**$ (130,595)**
Cash flows from/(used in) financing activities		
Proceeds from issuance of equity	**1,711,418**	-
Lease Payments	**-**	**(33,395)**
Net cash from/(used in) financing activities	**$ 1,711,418**	**$ (33,395)**
Net change in cash for the period	**(2,649,312)**	**(3,866,714)**
Cash at beginning of period	**5,813,218**	**10,917,797**
Cash at end of period	**$ 3,163,906**	**$ 7,051,083**
Supplemental information of cash flows:		
Non-cash shares for services included in prepaid expenses	$ -	$ 600,000
Income taxes paid in cash	$ 8,214	$ -
Recognition of ROU Asset and Liability due to modification	$ 156,565	

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

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Nine-Months Ended May 31, 2023 and 2022
(Unaudited)

	Common Stock		Additional Paid-in		Non-controlling	Stockholders
	Shares	Amount	Capital	Deficit	Interest	Equity
Balance August 31, 2022	**5,950,998**	**$ 5,951**	**$ 47,041,481**	**$ (39,098,528)**	**$ (316,414)**	**$ 7,632,490**
Stock based compensation	-	-	68,776	-	-	68,776
Net loss	-	-	-	(1,755,944)	-	(1,755,944)
Non-controlling interest	-	-	-	-	(13,362)	(13,362)
Balance November 30, 2022	**5,950,998**	**$ 5,951**	**$ 47,110,257**	**$ (40,854,472)**	**$ (329,776)**	**$ 5,931,960**
Stock based compensation	-	-	10,526	-	-	10,526
Net loss	-	-	-	(1,298,131)	-	(1,298,131)
Non-controlling interest	-	-	-	-	(12,507)	(12,507)
Balance February 28, 2023	**5,950,998**	**$ 5,951**	**$ 47,120,783**	**$ (42,152,603)**	**$ (342,283)**	**$ 4,631,848**
At The Market financing	34,652	34	110,987	-	-	111,021
S-1 financing	2,106,000	2,106	1,598,291	-	-	1,600,397
Stock based compensation	-	-	81,446	-	-	81,446
Net loss	-	-	-	(2,371,505)	-	(2,371,505)
Non-controlling interest	-	-	-	-	(12,061)	(12,061)
Balance May 31, 2023	**8,091,650**	**$ 8,091**	**$ 48,911,507**	**$ (44,524,108)**	**$ (354,344)**	**$ 4,041,146**
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 unaudited condensed consolidated interim financial statements.

LEXARIA BIOSCIENCE CORP.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2023

1. Nature of Business

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

We are primarily a research and development company relying on our expanding intellectual property portfolio that continues to investigate the benefits of using DehydraTECH with numerous molecules. We have also begun an investigational new drug ("IND") registration process with the US Food and Drug Administration ("FDA").

Revenues are generated primarily from intellectual property ("IP") licensing contracts for DehydraTECH based on the terms of use and defined geographic and licensing arrangements. We also derive income from our third party contracted manufacturing of Business-to-Business ("B2B") DehydraTECH enhanced ingredients which are processed to corporate customer specifications and sold by them online and in stores in the US. We also perform contract services in R&D for customer specific formulations that are used in comparison testing to customers' existing products.

Going Concern Consideration

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 its operational, research and development and capital expenditures for a period of at least 12 months from the date this Report.

Since inception, the Company has incurred significant operating and net losses. Annual losses attributable to shareholders were $7.4 million (2022), $4.2 million (2021) and $4.1 million (2020). As of May 31, 2023, we had an accumulated deficit of $44.5 million. We expect to continue to incur significant operational expenses and net losses in the upcoming 12 months. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the stage and complexity of our R&D studies and corporate expenditures, additional revenues received from the licensing of our technology, if any, and the receipt of payments under any current or future collaborations we may enter into. The recurring losses and negative cash flows from operations raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not contain any adjustments that might result for this uncertainty.

The Company entered into a sales agreement with Maxim Group LLC, ("Maxim") on August 12, 2022, where we may offer and sell shares of our common stock with an aggregate offering price of up to $5,925,000 under an At-The-Market ("ATM") Offering. This agreement provides that Maxim will be entitled to a sales commission equal to 3.0% of the gross sales price per share of all shares sold under the ATM. Based on the current equity value of the Company's shares, the Company's revised ability to use the ATM is limited to $1,965,533. Pursuant to the terms of the Company's May 11, 2023, financing described below, the Company's ability to use its ATM is currently on hold.

We may also offer securities for sale during our fiscal year 2023 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.

On May 8, 2023, the Company announced the pricing of its public offering of2,106,000 units, with each unit consisting of one share of common stock and one unlisted warrant to purchase one share of common stock. Each unit was sold at a public offering price of $0.95. The warrants were immediately exercisable at a price of $0.95 per share on the date of issuance, being May 11, 2023, and will expire five years from the date of issuance. The shares of common stock and accompanying warrants were purchased together in this offering but were immediately separable upon issuance. Gross proceeds, before deducting placement agent fees to Maxim Group LLC, the sole placement agent, and other offering expenses, were approximately $2.0 million.

The securities described above are registered pursuant to a registration statement on Form S-1, as amended (File No. 333-271096), which was declared effective by the Securities and Exchange Commission (the "SEC") on May 8, 2023.

Based on our existing working capital, management believes the Company has sufficient working capital to satisfy the Company's estimated liquidity needs for the next 12 months. In making this assessment, the Company believes that this alleviates the substantial doubt in connection with the Company's ability to continue as a going concern. However, there is no assurance that management's plans will be successful. If the Company is unable to obtain funding, the Company would be forced to delay, reduce or eliminate some or all of its research and development programs, preclinical and clinical testing or commercialization efforts, which could adversely affect its business prospects.

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, 2022.

Basis of Consolidation

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

Basis of Presentation

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

These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated annual financial statements and notes thereto included in our annual report filed on Form 10-K for the year ended August 31, 2022.

Recent Accounting Guidance

Pronouncements Issued but Not Yet Adopted

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.

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, 2022.

3. Marketable Securities

The components of Marketable Securities were as follows:

	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
August 31, 2021	$ 1,037,025	$ 16,243	$ (219,427)	$ 833,841
Common stock	278,107	118,196	(882,809)	(486,506)
August 31, 2022	$ 1,315,132	$ 134,439	$ (1,102,236)	$ 347,335
Common stock	-	1,856	(79,631)	(77,775)
May 31, 2023	**$ 1,315,132**	**$ 136,295**	**$ (1,181,867)**	**$ 269,560**

Marketable securities held by Lexaria represent available-for-sale common stock of Hill Incorporated (formerly Hill Street Beverage Company Inc.). Unrealized gains and losses from common stock are due to market price movements. In management's opinion based on the evaluation of available information at May 31, 2023, unrealized losses represent temporary impairments.

4. Accounts Receivable

Accounts receivable at May 31, 2023 and August 31, 2022 consist of the following:

	May 31, 2023	August 31, 2022
Trade and deposits	$ 48,559	$ 80,374
Territory license fees	24,634	37,248
Sales tax	99,091	84,162
	$ 172,284	**$ 201,784**

5. Inventory

Inventory of raw materials on May 31, 2023, and August 31, 2022, consist of the following:

	May 31, 2023	August 31, 2022
Raw materials	$ -	$ 38,418
	$ -	$ 38,418

During the nine-month period ended May 31, 2023, raw materials inventory valued at $38,418 was expensed to R&D.

6. Prepaid Expenses and Deposits

Prepaid expenses consist of the following at May 31, 2023 and August 31, 2022:

	May 31, 2023	August 31, 2022
Advertising & conferences	$ 57,537	$ 359,863
Legal fees	25,000	25,000
License, filing fees, dues	27,417	15,000
Office & insurance	15,090	80,863
Consulting	383,009	-
Capital financing	121,687	96,035
	$ 629,740	$ 576,761

7. Intellectual Property, net

The following is a list of capitalized US patents held by the Company as at May 31, 2023:

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:

	May 31, 2023	August 31, 2022
Balance beginning	$ 488,462	$ 364,623
Addition	67,425	131,448
Amortization	(6,765)	(7,609)
Balance ending	**$ 549,122**	$ **488,462**

Patents are amortized over their 20 year legal life.

8. Property & Equipment, net

Property and equipment consist of:

May 31, 2023	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ (40,528)	$ -	$ (235,213)	$ 24,768
Computers	70,781	(3,549)	-	(64,973)	$ 5,808
Furniture fixtures equipment	31,126	(4,813)	-	(27,652)	$ 3,474
Lab equipment	333,675	(23,461)	33,748	(124,575)	$ 242,848
	$ 695,563	**$ (72,351)**	**$ 33,748**	**$ (452,413)**	**$ 276,898**

August 31, 2022	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ (54,037)	$ -	$ (194,685)	$ 65,296
Computers	63,964	(9,874)	6,817	(61,424)	9,357
Furniture fixtures equipment	31,126	(6,417)	-	(22,837)	8,289
Lab equipment	291,235	(31,572)	42,375	(101,047)	232,563
	$ 646,306	**$ (101,900)**	**$ 49,192**	**$ (379,993)**	**$ 315,505**

During the nine-month period ended May 31, 2023, amortization of $4,647 was included in cost of goods sold.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at May 31, 2023 and August 31, 2022 consist of the following:

	May 31, 2023	August 31, 2022
Accounts Payable		
Trades payable	$ 998,146	$ 57,150
Sales tax payable	13,068	31,303
Accrued Liabilities		
Trades payable	12,373	62,996
	$ 1,023,587	**$ 151,449**

10. Revenues

A breakdown of our revenues by type for the nine-months ended May 31, 2023, and 2022 are as follows:

	Nine-Months Ended May 31,	
	2023	2022
IP Licensing	$ 104,935	$ 16,160
B2B	44,167	111,597
Other	80,539	16,490
	$ 229,641	**$ 144,247**

During the nine-month period ended May 31, 2023, the Company recognized licensing revenue consisting of IP licensing fees for transfer of the DehydraTECH technology in line with definitive agreements and includes royalty fees. B2B product revenues of $44,167 (2022 - $111,597) were recorded that relate to sales of our intermediate products for use by B2B customers in their products. The Company recognized $104,935 (2022 - $16,160) in licensing revenue in the same period.

11. Common Shares, Warrants and Options

During the quarter ended May 31, 2023, the Company completed the following issuances of common shares, warrants and options:

1. 34,652 common shares were sold at an average price of $3.30 per share for net proceeds of $111,021 from our ATM Offering;

2. 267,969 options with exercise prices ranging from $9.60 to $4.80 were repriced to $3.00 following shareholder approval obtained at the Company's annual shareholder meeting held on May 9, 2023; and

3. 2,106,000 units were sold at a price of $0.95 per unit, with each unit consisting of one common share and one warrant exercisable to purchase an additional common share at $0.95 per share, for net proceeds of $1,600,397. The 2,106,000 warrants are exercisable for a period of five (5) years.

No warrants have been exercised during the nine-months ended May 31, 2023.

A continuity schedule for warrants for the nine-months ending May 31, 2023, is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance August 31, 2022	**2,421,983**	**$ 8.04**
Cancelled/expired	**(7,500)**	**$ 24.00**
Issued	**2,106,000**	**$ 0.95**
Balance May 31, 2023	**4,520,483**	**$ 4.71**

A summary of warrants outstanding as of May 31, 2023, is presented below:

Number of Warrants		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
60,798	$	36.00	1.46-1.5
317,190	$	10.50	1.93-1.95
116,667	$	9.00	0.88-1.79
200,000	$	7.00	0.88
1,719,828	$	6.58	2.63
2,106,000	$	0.95	4.95
4,520,483	**$**	**4.71**	**3.53**

Stock Options

The Company has established an Equity Incentive Plan which currently allows the board of directors to grant up to 510,433 stock options to directors, officers, employees, and consultants. On May 9, 2023, at its annual shareholder meeting, the Company's shareholders approved amendments to the Equity Incentive Plan, whereby the board of directors were authorized to grant up to 809,165 stock options to directors, officers, employees, and consultants with such amount being adjusted on January 1 each year commencing January 1, 2024, pursuant to an evergreen formula, to be equal to up to 10% of the issued share capital on December 31 of the previous year. As at the current date, the Company has not elected to affect the amendments approved by its shareholders to its Equity Incentive Plan. 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 vesting terms of each grant are also set by the board of directors. The exercise price of an option is equal to or greater than the closing market price of the Company's common shares on the day preceding the date of grant.

The Company granted the following options during the nine-months ended May 31, 2023:

	Options		Weighted Average Exercise Price	Contractual Life (years)
	41,200	$	1.96	5
	5,000	$	2.73	5
	3,400	$	3.04	5
Total	**49,600**	**$**	**2.11**	**(Avg. Remaining Life) 4.39**

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, 2021	206,170	$	8.90			
Cancelled/expired	(3,334)		9.60			
Granted	222,000		4.21			
Balance August 31, 2022	424,836		6.45	3.69	$	5,175
Granted	49,600		2.11	4.39	$	55,748
Balance May 31, 2023 (granted)	**474,436**	**$**	**3.39**	**3.42**	**$**	**0**
Balance May 31, 2023 (exercisable)	**462,686**	**$**	**3.40**	**3.42**	**$**	**0**

The fair value of stock options granted in the nine-months ended May 31, 2023, were estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

Expected volatility	98%-1.05%
Risk-free interest rate	3.30%-4.12%
Expected life	5 years
Dividend yield	0%
Estimated fair value per option	$ 1.60 - $2.58

As of May 31, 2023, the total unrecognized non-cash compensation costs are $39,117 related to 11,750 non-vested stock options with a $3.27 weighted average price. These costs are expected to be recognized over a weighted average period of 0.82 years. All non-vested options are attributable to employees. Stock based compensation expense recognized in the nine-months ended May 31, 2023, totaled $160,748, including $25,194 related to the repricing of the 267,969 options.

12. Commitments, Significant Contracts and Contingencies

Right of Use Assets - Operating Lease

The corporate office and R&D laboratory are located in Kelowna, British Columbia, Canada. The facility is leased until November 14, 2023, and the Company has exercised its five-year renewal option, the term of which commences on November 15, 2023, and expires on November 14, 2028. On March 31,2023, the Company remeasured the ROU asset and Lease liability for the lease extension. In addition to minimum lease payments, the lease requires us to pay property taxes and other operating costs which are subject to annual adjustments.

	May 31, 2023	August 31, 2022
Right of use assets - operating leases	$ 52,444	$ 91,041
Remeasurement related to lease extension	156,565	
Amortization	(30,882)	(38,597)
Total lease assets	$ 178,127	$ 52,444
Liabilities:	$ 49,989	$ 89,393
Remeasurement related to lease extension	156,565	
Lease payments	(33,610)	(44,600)
Interest accretion	1,961	5,195
Total lease liabilities	$ 174,905	$ 49,988
Operating lease cost	$ 178,127	$ 52,444
Operating cash flows for lease	$ 33,610	$ 44,599
Remaining lease term	5.42 Years	1.17 Years
Discount rate	7.25%	7.25%

The following table summarizes the Company's maturities of operating lease liabilities as of May 31, 2023:

2023 (three-months remaining)	$ 11,204
2024	35,840
2025	37,094
2026	37,345
Thereafter	84,026
Total lease payments	$ 205,509
Less: imputed interest	(30,605)
Present value of operating lease liabilities	$ 174,904
Less: current obligations under leases	(32,317)
Total	$ 142,587

13. 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 B2B Products. Licensing revenues are significantly concentrated on one licensee.

Nine-Months Ended May 31, 2023	IP Licensing	B2B	Corporate	Consolidated Total
Revenue	$ 104,935	$ 44,167	$ 80,539	$ 229,641
Cost of goods sold	-	(31,500)	-	$ (31,500)
Operating expenses	(58,845)	(235,379)	(5,367,427)	$ (5,661,651)
Segment income (loss)	$ 46,090	$ (222,712)	$ (5,286,888)	$ (5,463,510)
Total assets	**$ 2,596**	**$ 67,705**	**$ 5,169,336**	**$ 5,239,637**

Nine-Months Ended May 31, 2022	IP Licensing	B2B	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**

Capital Asset by Region May 31, 2023	Cost US	Addition US	Net Balance US	Cost Canada	Addition Canada	Net Balance Canada	Total Net Balance
Leasehold Improvements	$ -	$ -	$ -	$ 259,981	$ -	$ 24,768	$ 24,768
Computers	-	-	-	70,781	-	5,808	5,808
Furniture & Fixtures	-	-	-	31,126	-	3,474	3,474
Lab Equipment	140,487	33,748	124,483	193,185	-	118,365	242,848
	$ 140,487	**$ 33,748**	**$ 124,483**	**$ 555,073**	**$ -**	**$ 152,415**	**$ 276,898**

Capital Asset by Region August 31, 2022	Cost US	Addition US	Net Balance US	Cost Canada	Addition Canada	Net Balance Canada	Total Net Balance
Leasehold Improvements	$ -	$ -	$ -	$ 259,981	$ -	$ 65,296	$ 65,296
Computers	-	-	-	63,964	6,817	9,357	9,357
Furniture & Fixtures	-	-	-	31,126	-	8,288	8,288
Lab Equipment	98,050	42,375	100,031	193,185	-	132,533	232,564
	$ 98,050	**$ 42,375**	**$ 100,031**	**$ 548,256**	**$ 6,817**	**$ 215,474**	**$ 315,505**

14. Subsequent Events

None.

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 25, 2022, that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

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

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

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in US dollars. All references to "common shares" and "shares" refer to the common shares in our capital stock, unless otherwise indicated. The terms "Lexaria" "we", "us", "our" and "Company" mean the Company and/or our subsidiaries, unless otherwise indicated.

The following discussion should be read in conjunction with our condensed financial statements and accompanying notes in this quarterly report on Form 10-Q, and our audited financial statements with notes in our annual report on Form 10-K for the year ended August 31, 2022.

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. Applications of this technology extends across many categories beyond the primary pharmaceutical focus of the Company, from foods and beverages to cosmetic products and nutraceuticals.

Our mission is to obtain FDA approval for a DehydraTECH-CBD drug for use on hypertension. Lexaria operates a federally licensed, in-house research laboratory and continues to build upon our intellectual property portfolio with 34 patents granted internationally and many other patents pending worldwide.

Lexaria is advancing several R&D activities in both preclinical and future clinical programs, with our primary focus during the current year, being our investigations of CBD for the reduction of hypertension. In fiscal 2022 we completed three human studies on hypertension with the results of our fourth and largest hypertension study to date culminating in the publication of six research articles.

The Company continues to engage in small R&D projects and B2B formulation for third parties who are evaluating our technology for use in their products.

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 APIs including, but not limited to, fat soluble vitamins; anti-viral drugs; phosphodiesterase inhibitors; human hormones; regulated cannabinoids, and nicotine and its analogs.

We 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 has patents issued in the United States, Australia, Europe, India, Mexico, Canada and Japan. Since our last 10-Q quarterly report filing, we were advised of six additional paten issuances; one in Japan, one in Australia, two in Canada and two in the US. Our new US patents, protect the use of DehydraTECH enhanced cannabidiol for use in pharmaceutical compositions and methods for treating hypertension and DehydraTECH enhanced cannabidiol for use in general compositions and methods for treating hypertension.

The issued patents of the Company as at the date of this quarterly report are disclosed in the following table:

Issued Patent #	Patent Family
US 9,474,725 B1	#1 Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	
US 9,972,680 B2	
US 9,974,739 B2	
US 10,084,044 B2	
US 10,103,225 B2	
US 10,381,440	
US 10,374,036	
US 10,756,180	
AU 2015274698	
AU 2017203054	
AU 2018202562	
AU 2018202583	
AU 2018202584	
AU 2018220067	
EP 3164141	
JP 6920197	
CDN 2949369	
AU 2016367036	#2 Methods for Formulating Orally Ingestible Compositions Comprising Lipophilic Active Agents
JP 6963507	
MX 388 203 B	
AU 2016367037	#3 Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	
JP 6917310	
MX 390001	
JP 7232853	
CDN 3093414	#6 Transdermal and/or Dermal Delivery of Lipophilic Active Agents
JP 7112510	#7 Lipophilic Active Agent Infused Compositions with Reduced Food Effect
AU 2019256805	#8 Compositions Infused with Nicotine Compounds and Methods of Use Thereof
CDN 3096580	
US 11,311,559	#18 Compositions and Methods for Enhanced Delivery of Antiviral Agents
AU 2021261261	
US 11,666,544	#21 Compositions and Methods for Treating Hypertension
US 11,666,543	

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 leading to an application under the FDA for an IND. Other programs include DehydraTECH formulation development and testing with nicotine for oral pouches and prospective nicotine replacement therapy, human hormones, CBD for diabetes, dementia 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, 2023, Lexaria incurred $1,640,648 (May 2022- $752,095) 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 patent portfolio coverage, we continually examine accelerated timetable options for testing, research, and development of each API. Fiscal 2023 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 toward pharmaceutical applications.

Investigational New Drug

The FDA provided Lexaria with a positive written response on August 10, 2022, from our pre-IND meeting regarding DehydraTECH-CBD for the treatment of hypertension. The FDA confirmed that it has agreed with Lexaria's proposal to pursue a 505(b)(2) new drug application ("NDA") regulatory pathway for our program. We continue working toward our IND filing which is anticipated to be in late fiscal 2023 or early 2024. We have selected InClin Inc. as our contract research organization ("CRO") to perform the IND study which will be a Phase 1(b) study that we are designating HYPER-H23-1. We have completed manufacturing our IND drug product through our third-party contract manufacturer, in compliance with current Good Manufacturing Practice ("cGMP") regulations as mandated by the FDA, which has been set down for stability testing. We anticipate receiving the last of the results from the stability testing necessary for disclosure in our IND filing at the end of our fiscal fourth quarter following which we will be in a position to file our IND application. Along with our CRO, we have begun certain administrative study start-up tasks associated with preparation to perform study HYPER-H23-1 when ready to be initiated following IND effectiveness.

HYPER-H21-4

The first results of our hypertension study HYPER-H21-4 were announced on October 27, 2022, with the primary safety and efficacy objectives being met. HYPER-H21-4 was a randomized, double-blinded, placebo-controlled, cross-over study that consisted of male and female volunteers between the ages of 40-70. Sixty-six (66) people were ultimately dosed to completion of the study and, prior to enrollment, they had documented or measured:

- elevated blood pressure (120/80 to 139/80 mmHg);
- mild (stage 1) hypertension (140/90 to 159/99 mmHg); or
- moderate (stage 2) hypertension (160/100 to 179/109 mmHg).

All study participants received DehydraTECH-CBD every day for a 5-week duration in the dose-escalating 2.5 week increments noted above. Upon cross-over and wash out, all 66 study participants also received the matching placebo for a 5-week duration following the study randomization schedule. Thirty-three (33) of these patients had been diagnosed with hypertension but were not being treated with any antihypertensive medications, while 33 patients had been diagnosed with hypertension and were receiving commonly used antihypertensive therapies including angiotensin-converting enzyme ("ACE") inhibitors with or without diuretics; or alternatively, ACE inhibitors with calcium channel blockers. The complete study protocol has and select findings from the study have already been published and is available at PubMed. The initial study results showed a sustained drop in blood pressure in normally active hypertensive patients following multiple weeks of oral CBD therapy, using Lexaria's patented DehydraTECH-CBD capsule formulation.

Lexaria is aware of only a handful of other published research studies, mostly in young, healthy, and normotensive volunteers, that have investigated whether a sustained decrease in resting blood pressure is possible following multiple weeks of oral CBD dosing; none of which have been successful in achieving this. DehydraTECH-CBD appears to reduce blood pressure more effectively than other oral CBD formulations.

Subsequent to the announcement of the initial results from HYPER-H21-4, the Company supplemented its findings with additional research results which appeared to demonstrate:

- increased CBD blood absorption levels from our patented DehydraTECH-CBD™ relative to those of published, pharmaceutical-grade CBD industry peers;
- a potentially novel mechanism of action in reducing blood pressure whereby the antihypertensive effects of DehydraTECH-CBD may be explained, at least in part, by its interaction with the sympatho-chromaffin system via catestatin modulation, thus suggesting a potentially unique mechanistic benefit upon cardiovascular regulation with DehydraTECH-CBD treatment; and
- significant reductions in several pro-inflammatory biomarkers known to be linked to cardiovascular disease ("CVD") and a host of other conditions through evidenced reduction in blood-plasma levels of interleukin ("IL") 8, 10, and 18 by ~19%, ~27%, and ~43%, respectively.

EPIL-A21-1

In March 2022, Lexaria initiated an animal study to determine if DehydraTECH-CBD evidences superior treatment of seizure activity when compared to Epidiolex®. Epidiolex is an FDA-approved oral solution prescription CBD available to children 1 year of age and older to treat seizures associated with Lennox-Gastaut syndrome, Dravet syndrome or tuberous sclerosis complex.

On November 29, 2022, Lexaria announced findings from the study indicating its patented DehydraTECH-CBD has demonstrated performance enhancements compared to one of the world's leading anti-seizure medications, Epidiolex, generally at a lower DehydraTECH-CBD dose.

Additional work has been completed in study program EPIL-A21-1 with the final study designed to establish an ED50 (i.e., the dose required to achieve seizure inhibition in 50% of the animals tested) for DehydraTECH-CBD in this animal model, where ED50 determination is a common performance metric in preclinical animal studies for developmental therapeutics. This ED50 study was designed to corroborate the experimental findings to-date and the final results confirmed that DehydraTECH-CBD was most effective at a dose of 75 mg/Kg as compared to the standard Epidiolex dosage of 100 mg/Kg. Further testing would be required to validate these findings in humans, although these dose levels in animals converted to human equivalent doses would be expected to be in the 10-12 mg/Kg and 15-16 mg/Kg ranges respectively based on typical animal to human conversion practices.

DEM-A22-1

On November 8, 2022 commencement of animal study program DEM-A22-1 was announced. The study was designed to determine whether DehydraTECH-CBD may offer therapeutic utility against diabetes and dementia respectively. This study had several unexpected complications that produced inconclusive results. Should the Company choose to further pursue research in this area, it will likely be for a longer duration and may involve DehydraTECH-nicotine rather than DehydraTECH-CBD.

DIAB-A22-1

We announced the commencement of animal study program DIAB-A22-1 on November 8, 2022. On March 2, 2023 the Company announced that its diabetes animal model study had completed and produced at least three positive outcomes including weight loss in obese diabetic-conditioned animals, together with improved triglyceride and cholesterol levels. Subsequent to the quarter ended May 31, 2023, the Company announced further results indicating that the blood glucose levels were lowered and kidney function improved in the obese diabetic-conditioned animals treated with DehydraTECH-CBD.

HOR-A22-1

Lexaria's animal study HOR-A22-1, being a pharmacokinetic study performed in twenty female Sprague-Dawley rats in order to evaluate the ability of DehydraTECH™ to enhance the delivery characteristics of orally administered estradiol, was successfully completed during the third fiscal quarter, and showed enhancement in the oral delivery of the estrogen hormone estradiol.

The DehydraTECH-estradiol formulation achieved an average peak concentration in the bloodstream (or "Cmax") of 5.65ng/mL that was roughly nine times (900%) higher than that achieved with the control formulation at only 0.63 ng/mL. As well, the study revealed that levels of the estrone metabolite were also significantly higher comparing an average Cmax of 6.49 ng/mL with the DehydraTECH formulation to only 0.302 ng/mL achieved with the control, representing greater than a twenty-fold (2,000%) improvement in delivery.

NIC-H22-1

On November 1, 2022, the Company announced that independent review board approval had been received for human clinical nicotine study NIC-H22-1. The study is a 36-person human pharmacokinetic randomized, double blinded, cross-over study conducted in current cigarette smokers, wherein each person will visit the laboratory to be dosed three times over a period of weeks. During each visit only one oral nicotine pouch will be administered and evaluated: either DehydraTECH-nicotine; On! brand manufactured by Altria; or Zyn brand manufactured by Swedish Match. The primary study objectives are to determine the quantity of nicotine in blood at various time points and vital-sign data collection including blood pressure, heart rate and respiratory rate. Subjective evaluations related to throat burn, user experience, gastrointestinal experience and more are also being conducted.

At the date of this report, dosing in the study has been completed with sample and data analyses underway at varying stages and the results from the study anticipated to be released in the fourth quarter of 2023.

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. Based on information available to management at the time, these estimates, judgments and assumptions are considered reasonable. We believe that understanding the basis and nature of the estimates, judgments and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials. We considered the impact of the COVID-19 pandemic on the assumptions and estimates used and determined that there were no material adverse impacts on the financial statements for the nine-months ended May 31, 2023.

For a discussion of our critical accounting estimates, please read*Note 4. Estimates and Judgements* as found in the financial statements in our Annual Report on Form 10-K for the year ended August 31, 2022. There have been no material changes to the critical accounting estimates as previously disclosed in our 2022 Form 10-K.

Funding Requirements

We anticipate that our expenditures will increase in connection with our ongoing R&D program, specifically with respect to our animal and human clinical trials of our DehydraTECH formulations for the purposes of treating hypertension and diabetes. As we move forward with our IND 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, 2023, we have funded our operations primarily through the proceeds from the sale of common stock. The Company has consistently incurred recurring losses and negative cash flows from operations, including net losses of $5,463,510 and $5,870,492 for the nine-months ended May 31, 2023, and 2022, respectively.

The continuation of Lexaria as a going concern depends on raising additional capital and/or attaining and maintaining profitable operations. The accompanying financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our Company discontinue operations. The recurring losses from operations and net capital deficiency raise substantial doubt about the Company's ability to continue as a going concern within one year following the date that these consolidated financial statements are issued.

On August 12, 2022, we entered into an At-The-Market ("ATM") Offering equity distribution agreement with Maxim Group LLC, ("Maxim"), pursuant to which we may offer and sell shares of our common stock with an aggregate offering price of up to $5,925,000. The sales agreement entitles Maxim to a sales commission equal to 3.0% of the gross sales price per share of all shares sold under the ATM.

On May 11, 2023, the Company entered into share purchase agreements for the purposes of completing a $2 million best efforts financing with Maxim resulting in the issuance of 2,106,000 common shares and warrants to purchase common shares.

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

Results of Operations for the Period Ended May 31, 2023, and 2022

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

Nine-Months Ended May 31,	2023	2022	Change
Revenues	$ 229,641	$ 144,247	$ 85,394
Research and development	3,166,315	1,486,487	1,679,828
Consulting fees & salaries	1,030,042	1,672,825	(642,783)
Legal and professional	364,779	439,942	(75,163)
Other general and administrative	1,100,515	2,384,893	(1,284,378)
Net Loss	$ **(5,463,510)**	$ **(5,870,492)**	$ **406,982**

Revenue

Fees from intellectual property licensing increased by $88,775 while B2B sales decreased by $67,430 with other sales higher by $64,049 year-over year.

Research and Development

Expenditures on R&D increased by $1,679,828 year-over year for the period ended May 31, 2023, as the company continues with applied research and development programs in our pharmaceutical division with our primary focus being on FDA approval for a DehydraTECH-CBD drug to treat hypertension.

Consulting Fees and Salaries

In the nine-months ended May 31, 2023, consulting fees and salaries decreased by $642,783 primarily due to the prior years' recognition of stock-based compensation costs recorded for contractors and employees ($358,970), and the charges of salaries to research and development ($305,283), due to increased clinical development activity.

Legal and Professional Fees

Our legal and professional fees decreased by $75,163 during the period compared to the same prior year period. Previous year expenditures were higher due to increased patent and trademark filings and the utilization of additional legal advisory services.

General and Administrative

Our other general and administrative expenses decreased overall by $1,284,378 during the period ended May 31, 2023, over the same period last year. Advertising and promotion were down by $474,642 in the current period with a slight decrease in investor relations ($68,457). There was an increase of $ 40,871 in office expenses and unrealized losses on marketable securities were considerably lower in the current year ($77,775 vs $823,916).

Liquidity and Financial Condition

Working Capital	**May 31, 2023**	**August 31, 2022**
Current assets	$ 4,235,490	$ 6,977,516
Current liabilities	(1,055,904)	(194,036)
Net Working Capital	**$ 3,179,586**	**$ 6,783,480**

Cash Flows	**Nine-Months Ended May 31,**	
	2023	**2022**
Cash flows used in operating activities	$ (4,259,557)	$ (3,702,724)
Cash flows used in investing activities	(101,173)	(130,595)
Cash flows used in financing activities	1,711,418	(33,395)
Decrease in cash	**$ (2,649,312)**	**$ (3,866,714)**

Operating Activities

Net cash used in operating activities increased approximately $557,000 for the period compared with cash used during the same period in 2022. The increase relates primarily to a lower unrealized loss on marketable securities ($746,141), combined with lower non-cash expenses related to shares issued for services rendered ($600,000) and stock-based compensation ($358,970); partially offset by increased accounts payable and accrued liabilities ($815,786), and a lower net loss ($406,982).

Investing Activities

Net cash used in investing activities decreased by $29,422 over 2022 due to decreased spending on acquisitions of equipment and intellectual property.

Financing Activities

The $1,744,814 increase in cash from financing activities relates to common shares issued in the ATM Offering and common share/warrant units sold.

Liquidity and Capital Resources

We have incurred net losses of approximately $7.4 million and $4.2 million respectively in the past two fiscal years. We expect to continue to incur significant expenditures for R&D and operational activities resulting in net losses in the upcoming 12 months and beyond. 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 revenues from the licensing of our technology and B2B sales, if any, and the receipt of payments under any current or future collaborations we may enter into.

As the Company continues with our IND application process and progresses into the clinical development of our initial product candidate, the need for substantial capital resources increases. Our existing cash will not be sufficient to complete the full development, testing and commercialization of an FDA approved product candidate. To achieve this objective, we will require substantial funding in the future.

On August 12, 2022, we entered an equity distribution agreement with Maxim, under the agreement we may offer and sell shares of our common stock with an aggregate offering price of up to $5,925,000 under an ATM. The sales agreement provides that Maxim will be entitled to a sales commission equal to 3.0% of the gross sale price per share of all shares sold under the ATM. As of July 14, 2023, we have sold 34,652 shares into the market through the ATM for gross proceeds of $114,546. Based on the current equity value of the Company's shares, the Company's revised ability to use the ATM is limited to $1,965,533. Pursuant to the terms of the Company's May 11, 2023, financing described below, the Company's ability to use its ATM is currently on hold.

On May 11, 2023, the Company entered into share purchase agreements for the purposes of completing a $2 million best efforts financing with Maxim resulting in the issuance of 2,106,000 common shares and warrants to purchase common shares.

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

The Company has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern. As of May 31, 2023, the Company had cash on hand of approximately $3,163,906 to settle $1,055,904 in current liabilities. We have performed a review of our cash flow forecast and have concluded that funds on hand, combined with those expected from executed license agreements, will be sufficient to meet the Company's financial obligations for the twelve-month period following the filing of these consolidated financial statements on Form 10-Q.

Impact of COVID-19

To date, we have not experienced any material impact on our financial statements, impairments of any of our assets or any major business disruptions, including with our vendors. We will continue to actively monitor the 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 revise or eliminate some or all these measures entirely.

Item 3. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President (Principal Executive Officer) and our Chief Executive Officer (currently acting as the Principal Financial and Accounting Officer) to allow for timely decisions regarding required disclosure.

As of May 31, 2023, the fiscal quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of May 31, 2023.

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, 2023, our controls and controls processes remained consistent with August 31, 2022. There have been no changes in our internal controls over financial reporting that occurred during the quarter ended May 31, 2023, that have materially or are reasonably likely to materially affect our internal controls over financial reporting.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings

We 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 are those described in the Form 10-K for the year ended August 31, 2022 as filed with the SEC on November 25, 2022.

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.

b) Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference as Exhibit 3.1 to our Registration Statement on Form S-1 filed June 3, 2020)
3.2	Bylaws (incorporated by reference as Exhibit 3.2 to our Registration Statement on Form S-1 filed June 3, 2020)
3.3	Amended and Restated Articles of Incorporation (Filed on Form 8-K January 14, 2021 Exh. 3.1)
3.4	Second Amended and Restated Bylaws (incorporated by reference as Exhibit 3.2 to our Current Report on Form 8-K filed January 14, 2021)
3.5	Amended and Restated Bylaws (Filed on Form S-1 June 3, 2020 Exh 3.4)
3.6	Amendment to Articles of Incorporation - Share Consolidation (Filed on Form 8-K June 23, 2009 Exh 3.1)
3.7	Amendment to Articles of Incorporation - Share Expansion (incorporated by reference as Exhibit 3.5 to our Registration Statement on Form S-1 filed June 3, 2020)
3.8	Amendment to Articles of Incorporation -Share Forward Split (Filed on Form 8-K December 16th, 2015 Exh 3.1)
3.9	Amendment to Articles of Incorporation - Name Change (Filed on Form 8-K May 11th, 2016 Exh 99.1)
(4)	**Instruments Defining the Rights of Security Holders**
4.1	Form of Warrant (Incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-1 filed with the SEC on April 28, 2023)
4.2	Form of Warrant Agency Agreement (Incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1 filed with the SEC on April 28, 2023)
(10)	**Material Contracts**
10.1	Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 filed with the SEC on April 28, 2023)
10.2	Placement Agency Agreement (Filed on Form 8-K May 10, 2023 Exh.10.2)
10.3	Work Order for Start-Up Activities with InClin, Inc.
(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/ John Docherty
John Docherty
President and Director
(Principal Executive Officer)
Date: July 14, 2023

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/ John Docherty
John Docherty
President and Director
(Principal Executive Officer)
Date: July 14, 2023

By: /s/ Christopher Bunka
Christopher Bunka
Chief Executive Officer, Chairman and Director
(Principal Financial and Accounting Officer)
Date: July 14, 2023

WORK ORDER #1

PO: HYPER-H23-1

This Work Order #1 (the "Work Order") is issued pursuant to the Master Services Agreement dated January 03, 2023 (the "Master Agreement"), between InClin, Inc. ("CRO") and Lexaria Bioscience Corp. ("Sponsor") and is subject to all the terms and conditions set forth therein. Unless otherwise defined herein, all initially capitalized terms used in this Work Order shall have the meaning ascribed to such terms in the Master Agreement.

1. Services: The Services to be provided under this Work Order are start-up tasks including (but not limited to) Project Management, Clinical Monitoring, Quality Assurance support, and Drug Safety in support of the study HYPER-H23-1 entitled 'A Phase 1b Randomized, Double-Blind, Placebo-Controlled Study of the Safety, Pharmacokinetics, and Pharmacodynamics of DehydraTECH-CBD in Subjects with Stage 1 or Stage 2 Hypertension.' Details can be found in Exhibit A.

2. Rate: CRO will perform the Services requested by Sponsor. Sponsor will be billed on a monthly basis for units consumed. The budget costs will be in US currency and will not exceed $1,394,037.16. The detailed budget is provided in Exhibit B. Invoices will be submitted to Sponsor at jdocherty@lexariabioscience.com with a copy to accounting@lexariabioscience.com. If requested by the Sponsor, CRO may perform services outside the scope of an existing Work Order(s) prior to execution of a Change Order provided that CRO provides the Sponsor with time and hourly rate estimates with respect to such requested work. CRO shall not perform such out of scope work without the Sponsor's advance written approval of such work and the costs associated therewith. All out of scope work performed by CRO with the Sponsor's advance written approval will be completed and invoiced based on a time and material basis unless/until a Change Order that governs such work has been developed and agreed upon in writing. Any out of scope work performed by CRO shall be included within the defined term "Services" and shall be subject to the terms and conditions of the Master Agreement.

   Upon execution of the Work Order, Sponsor will pay 10% of the total direct costs ($72,355.16) which will be deemed an upfront payment. Additionally, Sponsor will pay 50% of the total Pass Through Costs ($335,242.80) which will be used to make payments in real time. Any balance remaining on account with CRO (any unused payment) will be refunded to Sponsor within thirty (30) days after termination or expiration of the Master Agreement. If a full HYPER-H23-1 full study work order cannot be agreed by both parties, CRO will provide Sponsor a list of completed activities and associated costs to be reconciled against any upfront and ongoing payments made to the CRO.

   If requested by the Sponsor, CRO may perform services outside the scope of an existing Work Order(s) prior to execution of a Change Order provided that CRO provides the Sponsor with time and hourly rate estimates with respect to such requested work. CRO shall not perform such out of scope work without the Sponsor's advance written approval of such work and the costs associated therewith. All out of scope work performed by CRO with the Sponsor's advance written approval will be completed and invoiced based on a time and material and/or unit basis unless/until a Change Order that governs such work has been developed and agreed

upon in writing. Any out of scope work performed by CRO shall be included within the defined term "Services" and shall be subject to the terms and conditions of the Master Agreement.

3. Travel Time: When travel is requested, Sponsor will compensate CRO for time spent traveling at the hourly rates specified in Exhibit B.

4. Pass-Through Expenses: Reasonable out-of-pocket expenses required to perform the specified Services including economy class airfare, lodging, meals, tips, car rental, mileage costs, parking fees, printing charges, mailing costs, phone charges (land line and cellular), and any material costs, will be passed through by invoice to Sponsor on a monthly basis. Payment will be due 30 days after Sponsor's receipt of each such Pass-Through Expense invoice. All travel conducted by CRO at Sponsor's request shall be in compliance with the CRO's travel policy. Pass-Through Expenses are considered estimates, only actual costs will be invoiced to the Sponsor.

5. Term: This Work Order shall be effective on acceptance by CRO and continue until September 27, 2023, unless terminated earlier pursuant to Section 3.B of the Master Agreement.

6. Transfer of Responsibility: Sponsor agrees that if responsibility for some or all of the Sponsor's regulatory obligations is transferred to CRO pursuant to a Transfer of Obligations Form as specified in 21 C.F.R. §312.52, any such transfer shall be described in writing to the CRO. Any obligation not covered by the written description shall be deemed not to have been transferred. It is agreed, by both parties, that the Services provided by the CRO, per this Work Order, will be completed under the CRO's own Standard Operating Procedures.

Accepted by:

INCLIN, INC.	LEXARIA BIOSCIENCE CORP.
DocuSigned by: Signer Name: Arnold Wong Signing Reason: I approve this document Signing Time: 12 April 2023 | 10:40:40 AM PDT 9AECFBA0EB374CDA9C4651CD24CDEF97	
By: _____	By: _____
Name: Arnold Wong	Name: John Docherty
Title: Chief Financial Officer	Title: President
Date: 12 April 2023	Date: April 18, 2023

EXHIBIT A
Study Assumptions, Timelines, and Task Ownership Matrix
HYPER-H23-1

1. General

InClin assumes, unless stated otherwise, that there will be two Client review cycles for the development of each of the study specific plans, manuals, guidance documents and specifications that InClin assumes, unless stated otherwise, that each review cycle consists of one set of consolidated comments from the Client.

InClin assumes that for study documents, unless stated otherwise, each review cycle will allow **5 business days** for the Client to review/comment and an additional **3 business days for InClin** to provide the next iteration of the document for review and/or finalization.

Once approval from the Client is received for study documents, InClin assumes all other changes in scope made to the study design or timelines will be subject to a change order as outlined in the final contract.

2. Study Documents

Informed Consent Form (ICF) Template

- InClin will produce one ICF master template utilizing the InClin template or the central IRB's template.
- The ICF will be in English and be compliant with ICH guidance, the EU Directive and FDA requirements, as applicable.

Site Specific ICF Changes

- Using the InClin ICF template or central IRB template, InClin will produce a template ICF for the study and provide it to sites for revision to institutional and regional/state requirements.
- If applicable, the site will supply their site-specific Health Insurance Portability and Accountability Act (HIPAA) compliant language for either the integrated ICF or for a stand-alone HIPAA Authorization form.
- If applicable, the site will supply country or region/state specific compliant language for either integration into the ICF or as a stand-alone form (for example California Patient's Bill of Rights).
- The Client will pay the cost of certified translations and back-translations on a pass-through basis, if applicable

- InClin and the Client will review draft site-specific ICFs for [redacted] sites before submission to the IRB.

Protocol Amendment

- InClin assumes there will be no protocol amendments for the study, but is prepared to perform a review for completeness and consistency if requested.

Collection and Review of Regulatory Documents

- InClin will provide template regulatory, financial and study-required documents for site completion.
- InClin will review all completed regulatory, financial and study-required documents for [redacted] sites.
- Based upon an agreed checklist of all necessary documents required for approval for study drug release, InClin will compile an Investigator Site Activation Package (ISAP) for review by the Client.
- InClin assumes there will only be one revision to the ISAP during the review process.

IRB Submission

- InClin will submit required documents for the study to a central IRB.
- InClin will assist up to [redacted] site in submitting to a central IRB.
- InClin assumes up to [redacted] sites will submit to their own local IRBs.

3. Study Start Up

Study Training

- InClin will provide initial and ongoing project related training to the InClin study team.
- InClin assumes initial training will encompass all original versions of study related materials and will be up to 16 hours per study team member depending upon their role in the study.
- Initial training does not assume time for training on protocol amendments. For each amendment, a change order will be necessary for additional team training scope.

If revisions to study related materials are required, the InClin study team will train on the revised materials.

Project Plans

- InClin will prepare initial plans with no updates assumed. The following study-specific plans are based on the InClin templates:
    - Clinical Monitoring Plan
    - Medical Monitoring Plan
    - Trial Master File Plan
    - Risk and Quality Management Plan

- Project Management Plan
- Safety Medical Management Plan
- Data Management Plan
- User Acceptance Testing Plan
- Coding Convention Guidelines
- CRO/Vendor Blinding Plan and Client Blinding Plan

- InClin assumes, unless stated otherwise, that each study-specific plan's review cycle will allow 5 business days for Client review/comment and an additional 3 business days for InClin to provide the next iteration of the document for review and/or finalization.
- There will be two Client review cycles for the development of the study specific plans before finalization.
- Additional review cycles or extensive rewriting of plan templates will be provided at an additional charge.
- Any required post approval revisions or amendments will be charged on an hourly basis to complete.
- For each plan revision, a change order may be necessary for additional team training scope.

Feasibility Questionnaire

- InClin will draft a feasibility questionnaire, which will include a blinded synopsis of the study provided by the Client.
- The budget assumes two drafts of the feasibility questionnaire prior to finalization.
- InClin will perform a feasibility assessment by sending the feasibility questionnaire out to [redacted] sites to gauge their interest and capabilities to conduct the study, of which one site shall be [redacted].
- InClin will attempt to follow up with all sites that have not responded within 10 days of sending the questionnaire. Sites that do not respond after 2 attempts will not be contacted further.
- Questionnaires will be sent to sites electronically.

Site Identification

- InClin in partnership with the Client will identify [redacted] sites for potential participation in this study.
- Client will approve sites that will be further evaluated for potential participation in this study.

Obtain Site Confidentiality Agreements

- InClin will execute [redacted] site confidentiality agreements using the Client Template, unless otherwise requested.

Site Evaluation Visit

- InClin will conduct [redacted] Site Evaluation Visits
- InClin assumes [redacted] hours total per visit which includes preparation, on site time, travel, report writing and follow up.

Site Binders

- InClin will assemble and distribute the following:
  - Pharmacy Binder
  - Investigator Site File
  - Reference Binder, which will include all general study documents, including vendor manuals/instructions.

Manage Laboratory Kit Supplies

- InClin will manage the laboratory kit inventory (initial supply and resupply) from the Central Laboratory to the sites.

Contract/Budget Negotiation

- InClin will provide a template Clinical Trial Agreement (CTA) for Client review and input, or InClin can use Client's template CTA
- InClin will negotiate contract language based on Client approved language.
- Working in partnership with Client, InClin will provide a recommended budget "playbook", which provides an estimated budget and a template budget, which the Client will review and provide the final approved budget "playbook" to be used in site budget negotiation.
- InClin will obtain one contract per site for a total of [redacted] site contracts.
- InClin assumes three cycles of review with the site, including budget and contract, to reach agreement.
- Additional review cycles and/or protocol amendments will be assessed as a scope change.

4. PROJECT MANAGEMENT

Project Management

- Assumes time for the day-to-day management of the study including time to implement the project and operational plans. Further duties include (but are not limited to): Client communication, project team oversight, timeline management, scope management, budget management, CTMS management, and internal communication.
- Overall FTE is as follows:
  - Start to First Patient In: [redacted]
- Clinical Supply Vendor Management
  - Start to First Patient In: [redacted]

Administrative Support

- Assumes time for overall study support from the Clinical Trial Assistant (CTA) and Financial Analyst

Trip Report Review

- InClin template trip reports will be used; should the Client request extensive changes to the template report, a change order may be required, depending upon the scope of requested changes.
- InClin will be responsible for review of all trip reports.
- Assumes one round of review per trip report prior to finalization.

Status Reporting/Tracking

- InClin will maintain tracking reports in the study CTMS that the Client can view at any time. Trackers will include, but not be limited to the following information:
    - Site and Investigator Selection status
    - Status of Essential documents
    - Regional Regulatory submission and/or approval updates
    - Monitoring visits
    - Protocol Deviations
- Key study metrics will be shared as part of the periodic project team meetings.

5. CLINICAL CONDUCT AND OVERSIGHT

Clinical Monitoring Plan

- InClin will develop one Clinical Monitoring Plan (CMP) for use on the study.
- InClin assumes 2 drafts and 1 final version will be produced.
- InClin assumes that there will be no amendments to the plan during the study. If amendments are required, a change order will be executed.

Site Initiation Visits

- InClin will conduct [redacted] Site Initiation Visits (SIVs)
- InClin assumes one SIV per selected site.
- InClin assumes [redacted] hours per SIV which includes preparation, on site, travel, report writing and follow up.

Site Management

- InClin will perform ongoing site management for the study and assumes a total of up to [redacted] hours per site per month.
- During the phase of First Patient in to Database Lock, CRAs will contact the sites on a weekly basis to discuss study updates and address and resolve open action items and site questions and concerns.
- InClin will perform initial staff training at the site during the SIV.

- Additional training needed following the SIV will be assessed as a change order.
- Additional staff training due to staff turnover or revisions to initial study documents and materials may require a change in scope.

eTMF Set up/Maintenance

- InClin will set up and maintain the electronic Trial Master File (eTMF) using Veeva Vault eTMF® for [redacted] sites.
- InClin will provide ongoing quality review of the accuracy of the eTMF as part of the eTMF maintenance.
- The final eTMF will be sent to Client electronically at the end of the study.
- Time for InClin QC of the final eTMF has been included.
- It is assumed that the Client will complete a QC of the final TMF within 30 days of receipt of the TMF transfer. Any delays will require a scope change.

Vendor Management

- InClin will manage and oversee 3rd party vendors study activities as part of overall project management time and as per agreement with Client
- InClin will contract directly with the third-party vendors on behalf of Client, as applicable and agreed upon. 3rd party vendors include the following service providers:
    - Electronic Data Capture (EDC) and ePRO (eDiary)
    - Randomization and Trial Supply Management (RTSM)
    - Central Laboratory Services
    - Central IRB
    - Translation Services
    - Pharmacokinetic Analysis (Inncelerex)
    - Cardiac Safety Monitoring
    - Research Foundation for Mental Hygiene (C-SSRS license)
    - Google Ads

- Client will contract directly with the following third-party vendors and be managed on behalf of Client by InClin, as applicable and agreed upon.
    - Bioanalytical Laboratory Services (PK Sample Analysis)
    - Clinical Supply

Administer Payments - Investigational Sites

- Payments will be made on a monthly basis to the sites for a total of 12 payments.

Client shall make a start-up payment of 10% of the Investigator Fee amount within 30 days of the full execution of the contract. The remaining expenses will be paid monthly by Client on a pass through basis.

Administer Vendor Payments

- InClin will make payments to 3rd party vendors as per contractual agreement with vendor and Client approval.

- InClin will make payments to the following vendors as applicable and agreed upon. 3rd party vendors may include, but are not limited to the following types of vendors/service providers:
    - Electronic Data Capture (EDC) and ePRO (eDiary)
    - Randomization and Trial Supply Management (RTSM)
    - Central Laboratory Services
    - Central IRB
    - Translation Services
    - Pharmacokinetic Analysis (Inncelerex)
    - Research Foundation for Mental Hygiene (C-SSRS license)
    - Google Ads
    - Cardiac Safety Monitoring
- Client will pay expenses monthly on a pass-through basis
- InClin may only hold contracts with vendors that InClin has qualified; the Client must hold the contract with vendors who are not qualified by InClin

Quality Assurance Oversight

- InClin Quality will oversee and ensure that InClin processes and procedures are followed.
- Service level quality control will be conducted within each department.
- Overall project specific quality control, such the Risk Registry, will be developed and maintained by the Project Manager and operational team.
- InClin will provide study support including attendance of monthly risk management and protocol deviation meeting.
- Time is included to provide an annual quality check of the TMF file.

Site Audit

NA

Vendor Audit

NA

6. DATA MANAGEMENT

Study Start-Up

- InClin will provide Site and Staff training, in addition to managing EDC access.
- InClin will manage and file appropriately all relevant study documents.

CRF Design

- InClin will hold 1 CRF virtual review meeting with members of the InClin team including: Project Manager, Principal Statistician, Statistician, and Lead Programmer.
- InClin has assumed there will be a total of [redacted] CRF pages per subject (that includes [redacted] unique CRFs) based on the Schedule of Events section in the protocol (draft Dec 2022).
- For screen fail data, the assumptions will be based on the following information being collected in the EDC: Informed Consent/Enrollment, Inclusion/Exclusion Criteria,

Demography and SAEs, if applicable. If additional information is required, this will be reviewed and assessed if any additional cost applies.

CRF Completion Guidelines

- InClin will produce one set of guidelines and assumes 2 drafts for review and 1 final version.

Data Management Plan (DMP)

- InClin will prepare one DMP for the study based on the InClin template.
- The DMP will include key study parameters such as: process flow, roles and responsibilities, project setup, database development and testing, data cleaning process, listing review, closeout activities etc.
- Assumes 2 drafts for review and 1 final version.

User Acceptance Testing (UAT) Plan

- InClin will prepare one UAT Plan for the study based on the InClin template.
- The UAT Plan will detail the necessary precondition requirements for testing, documentation requirements and expectations of the UAT process.
- Assumes 2 drafts for review, 1 final version.

Coding Convention Guidelines

- InClin will prepare one set of coding guidelines for the study based on the InClin template.
- The guidelines will detail the coding conventions to follow while coding the medical terms.
- Assumes 2 drafts for review, 1 final version.

Database Build

- InClin will utilize Medrio as the EDC platform for this study.
- Endpoint RTSM will be used to manage randomization and drug supply.
    - Managed by InClin's Clinical Team
- ePRO is assumed for this project for the eDiary.
- InClin will be responsible for acquiring the license for the C-SSRS.
- InClin will be responsible for managing the EDC/ePRO vendor.

Database Design

- InClin will produce one set of database specifications and one set of edit check specifications.
- Assumes 2 drafts for review and 1 final version.
- InClin will program edit checks after the specifications have been internally reviewed.
- InClin has assumed no more than [redacted] edit checks for the study (approximately [redacted] per unique CRF page).

Database User Acceptance Testing (UAT)

- InClin will follow the UAT Plan and process described for validation of data entry screens and edit check specifications as part of the UAT process.
- Three (3) UAT review cycles are assumed for database testing (1 internal round, 2 external rounds).
- Three (3) UAT review cycles are assumed for edit checks (1 internal round, 2 external rounds).
- One (1) UAT review assumed for reviewing and randomization stratification in Medrio.
- Local labs are not assumed for this study.
- Any additional lab set up required will be assessed as a scope change.

7. BIOSTATISTICS AND PROGRAMMING

CRF Design review and annotations

- CRF design (Review)
- CRF review meeting
- CRF completion guidelines (Review)

Protocol development

- Assuming 1 review prior to finalization
- Assuming 1 review for training purposes

Randomization Generation and Review

- InClin will develop the randomized treatment assignment schedule.
- Randomization specifications and a dummy randomization file will be provided for the InClin team and the Client's review. After the specifications are approved and the dummy file is reviewed, a final randomization will be produced by an unblinded statistician or programmer.

8. MEDICAL WRITING

Protocol

- Assumes InClin Medical Writer reviews the protocol for completeness and consistency across section.
    - 1 round of review

Protocol Synopsis

NA

9. MEDICAL MONITORING

Medical Monitoring

- NA

10. DRUG SAFETY

Safety Database Configuration

- InClin will develop, configure and validate an Argus Safety Database in order to process, monitor, and maintain SAEs and other safety-related events deemed appropriate by Client.
- The Argus Safety Database will be designed for the receipt, data entry, documentation, medical evaluation, quality control, follow-up with clinical sites to obtain all necessary information for case closure and archival of safety events.
- Time includes weekly update/SAE/Pregnancy Report Forms and SOPs aligned with the SMMP.
- Argus setup is a one-time fee per study drug, plus an annual renewal fee.

Safety Medical Management Plan

- InClin will develop one Safety Medical Management Plan (SMMP) for use on the study.
- InClin assumes 1 draft and 1 final version will be produced.
- Revisions to a finalized SMMP will be invoiced hourly if the time needed for revision exceeds 2 hours.

11. COMMUNICATION AND MEETINGS

Project Kick-off Meeting with Client

- InClin will be responsible for coordinating one virtual study kick-off meeting (up to 6 hours) with Client and relevant InClin team members.

Internal Kick-off Meeting

- InClin will conduct an internal kick-off meeting which will be up to 6 hours in length and include relevant InClin team members.

Investigator and CRA Training Meetings

- InClin will organize the logistics for the Virtual Investigator's Meeting up to [redacted] sites. If additional sites participate, InClin will contract directly with a Meeting Planner.
- InClin assumes attendance at one Investigator Meeting by the following individuals: Project Director, Project Managers, CRAs, CTA, Data Management Oversight, Data Manager, and Drug Safety Manager.

Client Teleconference

- InClin assumes [redacted] teleconferences will take place at the following frequency:
  - Start to First Patient In: Weekly
- Teleconferences will be up to 1 hour in duration and attended by the Client and relevant InClin team members.
- CTA time has been included for arranging teleconferences and taking meeting minutes.

CRA Teleconferences

- InClin assumes [redacted] CRA teleconferences will take place at the following frequency:
  - Start to First Patient In: Monthly.
- Teleconferences will be up to 1 hour in duration and attended by the relevant InClin team members.
- CTA time has been included for arranging teleconferences and taking meeting minutes.

Internal Teleconference

- InClin assumes [redacted] internal team teleconferences will take place at the following frequency:
  - Start to First Patient In: Weekly
- Teleconferences will be up to 1 hour in duration and attended by the relevant InClin team members.
- CTA time has been included for arranging teleconferences and taking meeting minutes.

Protocol Deviation Review Meetings

- InClin assumes monthly protocol deviation review meetings to be held once enrollment begins.
- Teleconferences are assumed to be 1 hour in duration and will be attended by the relevant Client representative(s) and InClin Project Manager, Project Director, and Statistician
- Time for attendance is covered under general Project Management time.

Activity	Sponsor	InClin	NA
X = Primary **(X) = Support**			
STUDY DOCUMENTS			
Informed Consent Form (ICF) template design and finalization		**X**	
Site specific ICF		**X**	
Country specific ICF			**X**
Collect and review regulatory documents from sites		**X**	
IRB/EC/HREC submissions		**X**	

Country Specific Regulatory Applications (CTA/CTN)	X		
STUDY START-UP			
Project specific team training with study material		X	
Develop project plans		X	
Feasibility		X	
Site identification	(X)	X	
Site selection	X	(X)	
Obtain confidentiality agreements with sites		X	
Phone Site Evaluation Visit			X
Site Evaluation Visit		X	
Site binders		X	
Manage laboratory kit supplies		X	
Site contract/budget negotiations		X	
Manage clinicaltrials.gov	X		
Investigator Meeting		X	
PROJECT MANAGEMENT			
Clinical project management		X	
Trip Report review		X	
CTMS Setup/Maintenance		X	
Newsletter development/distribution			X
Unblinded clinical project management			X
Clinical Supply Vendor Management	(X)	X	
CLINICAL CONDUCT AND OVERSIGHT			
Site Initiation Visits (SIV)		X	
Site Management		X	
Unblinded Site Initiation Visits			X
Unblinded Interim Monitoring Visits			X
Unblinded Close-out Visits			X
Unblinded Site Management			X
Setup and maintain Trial Master File (TMF)		X	
Investigator grant tracking and payments		X	
VENDOR CONTRACT/BUDGET NEGOTIATION			
EDC Database		X	
RTSM		X	
ePRO (eDiary)		X	
Drug Supply	X		

Drug Packaging/Labelling (Clinical Supply Vendor)	X		
Central Laboratory Services		X	
Translations		X	
Investigator Meeting Support			X
Imaging			X
Bioanalytical Lab	X		
Pharmacokinetic Data Analysis		X	
[redacted] (Cardiac Safety Monitoring)		X	
C-SSRS License (Research Foundation for Mental Hygiene)		X	
Google Ads			X
VENDOR PAYMENTS/TRACKING			
EDC Database		X	
RTSM		X	
ePRO (eDiary)		X	
Drug Supply	X		
Drug Packaging/Labelling (Clinical Supply Vendor)	X		
Central Laboratory Services		X	
Translations		X	
Investigator Meeting Support			X
Imaging			X
Bioanalytical Lab	X		
Pharmacokinetic Data Analysis		X	
[redacted] (Cardiac Safety Monitoring)		X	
C-SSRS License (Research Foundation for Mental Hygiene)		X	
Central IRB		X	
Google Ads		X	
VENDOR MANAGEMENT			
EDC Database		X	
RTSM		X	
ePRO (eDiary)		X	
Drug Supply	X		
Drug Packaging/Labelling (Clinical Supply Vendor)	(X)	X	
Central Laboratory Services		X	
Translations		X	

Investigator Meeting Support			X
Imaging			X
Bioanalytical Lab (PK Assay Validation and Decision-making)	X		
Bioanalytical Lab (PK Sample Shipment)		X	
Pharmacokinetic Data Analysis		X	
Clario (Cardiac Safety Monitoring)		X	
C-SSRS License (Research Foundation for Mental Hygiene)		X	
Central IRB		X	
Google Ads		X	
DATA MANAGEMENT			
CRFs/Database Definitions		X	
CRF Completion Guidelines		X	
UAT Plan		X	
Data Management Plan (DMP)		X	
Coding Convention Guidelines		X	
Database Design		X	
EDC system training		X	
User Acceptance Testing Rounds		X	
Database build		X	
BIOSTATISTICS AND PROGRAMMING			
Randomization		X	
DATA SAFETY MONITORING BOARD (DSMB)/DATA MONITORING COMMITTEE (DMC)/SAFETY REVIEW COMMITTEE (SRC)			
Develop charter			X
Select and contract members			X
Attend meetings			X
Generate meeting reports			X
Provide safety listings for meetings			X
Member payments			X
MEDICAL WRITING			
Investigators Brochure (IB) development	X		
Protocol Synopsis design	X		
Write Protocol	X	(X)	
SAFETY AND PHARMACOVIGILANCE			
Medical monitoring	X		
After hours medical coverage (24/7)	X		

Maintain safety database		X	
Maintain safety tracker			X
QUALITY ASSURANCE			
Quality Assurance Oversight		X	
eTMF Audit		X	
Site Audits			X
Vendor Audits			X
Quality Evaluation Visit (as applicable)		X	
COMMUNICATION AND MEETINGS			
Project Kick-off Meeting with Client	(X)	X	
Internal Kick-off Meeting		X	
Attend Investigator and CRA Training Meetings	(X)	X	
Face to Face Meeting with Sponsor			X
Client Teleconference	(X)	X	
Internal Teleconference		X	
CRA Teleconferences		X	
Maintenance Teleconference			X
Unblinded Team Teleconference			X
Unblinded CRA Teleconferences			X

GENERAL	**Specifications**	**Comments**
Start-up duration (Award to FPI)	[redacted]	months
Study duration	[redacted]	months
Subjects screened	[redacted]	
Subjects enrolled	120	
Subjects completed	120	
Study Start Up		
Study sites assessed (feasibility)	[redacted]	Sites Recruited
Study sites	[redacted]	
Countries	USA	
Local IRB	[redacted]	Per site
Central IRB	[redacted]	Per central IRB
Meetings		
Kick-off meetings	1	Virtual
Face to Face meetings	0	NA
Investigator meetings	[redacted]	Virtual
Number and frequency of client conference calls	[redacted] Start-FPI: (Weekly)	up to 1 hour in duration

Protocol Amendments	0	
CLINICAL		
Phone Site Evaluation Visits	0	
Site Evaluation Visits (SEV)	[redacted]	Includes travel, prep, visit, and report/follow up
Site Initiation Visits (SIV)	[redacted]	
Unblinded Site Initiation Visits	0	
Unblinded Interim Monitoring Visits	0	
Unblinded Close Out Visits	0	
CRA Site Management	[redacted] hours/site/month	From First Site Active to Database Lock
Unblinded CRA Site Management	NA	
Trial Master File (TMF)	Electronic	eTMF will be transferred to Sponsor via CD
All monitoring visits (SEV, SIV, IMV, COV) unless noted assume the visit will occur on site. Should a remote visit be required due to unforeseen circumstances, the unit cost will be invoiced at a reduced rate		
DATA MANAGEMENT		
Data management system	EDC	Medrio
Site and Staff training	1	1 training per [redacted] sites
eCRF guidelines	1 set of guidelines	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
Database specifications	1 set of specifications	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
Edit check specifications	1 set of specifications	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
UAT Plan	1	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
UAT of IRT	3	
UAT of ePRO	3	
Data Management Plan	1	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
Coding Convention Guidelines	1	Assuming 2 drafts for review and 1 final version. Additional reviews will be billed hourly
CRF type	Electronic	
CRFs per subject	[redacted]	Assumption based on current protocol/synopsis. Final count may increase based on final study documents. Budget adjustments may be needed
Unique CRFs per subject	[redacted]	Assumption based on current protocol/synopsis. Final count may increase based on final study documents. Budget adjustments may be needed
STATISTICS AND PROGRAMMING		

Protocol development	G&L Development	Assuming 1 review prior to finalization Assuming 1 review for training purposes
MEDICAL WRITING		
Protocol Synopsis	0	-
Protocol	1	Assumes InClin medical writing review the protocol for completeness and consistency across sections. - 1 round of review
DRUG SAFETY		
Database Type	Argus Database	Includes monthly reconciliation, SAE/Pregnancy Report Forms aligned with the SMMP. If the sponsor requests a manual tracker, the budget will be updated.
Safety Medical Management Plan (SMMP)	1	Assuming 1 draft for review and 1 final version. Included in Drug Safety Project Start-up. Revisions to a finalized SMMP will be invoiced hourly if the time needed for revision exceeds 2 hours
QUALITY ASSURANCE		
eTMF Audits	2	Annually
Vendor Audits	0	
Site Audits	0	
Regulatory Audits	0	Regulatory audit time will be charged at an hourly rate of [redacted] per hour if required
Quality Evaluation Visit	TBD	Performed as applicable by InClin

Timeline of Events

Activity	**Date**
Project Start	On acceptance of Work Order #1
Final Protocol/Synopsis	[redacted]-2023
First Patient In (FPI)	[redacted]-2023

EXHIBIT B
BUDGET

The assumed efforts described in this offer are based on information given so far by Sponsor. Additional efforts exceeding the extent of services described in this offer will be additionally charged on hourly basis and/or unit basis.
All costs are USD.

ACTIVITY	UNIT	NO. OF UNITS	COST/UNIT	Start Up Cost (USD)
STUDY START-UP				$ [redacted]
Study Training	Study	[redacted]	$ [redacted]	$ [redacted]
Feasibility Questionnaire	Site	[redacted]	$ [redacted]	$ [redacted]
Site Identification	Site	[redacted]	$ [redacted]	$ [redacted]
Obtain Site Confidentiality Agreements	Site	[redacted]	$ [redacted]	$ [redacted]
Site Evaluation Visit	Visit	[redacted]	$ [redacted]	$ [redacted]
Study Start Up	Site	[redacted]	$ [redacted]	$ [redacted]
Site Binders	Site	[redacted]	$ [redacted]	$ [redacted]
Contract/Budget Negotiation	Site contract	[redacted]	$ [redacted]	$ [redacted]
Collect and Review Regulatory Documents	Site	[redacted]	$ [redacted]	$ [redacted]
eTMF Set up	Site	[redacted]	$ [redacted]	$ [redacted]
Master File Set up	Study	1	$ [redacted]	$ [redacted]
PROJECT MANAGEMENT				$ [redacted]
Project Management - Project Director	Hours	[redacted]	$ [redacted]	$ [redacted]
Project Management - Project Manager	Hours	[redacted]	$ [redacted]	$ [redacted]
IP Vendor Management	Hours	[redacted]	$ [redacted]	$ [redacted]
Administrative Support - CTA	Hours	[redacted]	$ [redacted]	$ [redacted]
Administrative Support - FA	Hours	[redacted]	$ [redacted]	$ [redacted]
CLINICAL CONDUCT AND OVERSIGHT				$ [redacted]
Site Initiation Visits	Visit	[redacted]	$ [redacted]	$ [redacted]
CRA Site Management	Site/Month	[redacted]	$ [redacted]	$ [redacted]
eTMF Maintenance	Site/Month	[redacted]	$ [redacted]	$ [redacted]
Master File Maintenance	Month	[redacted]	$ [redacted]	$ [redacted]
Administer Payments - Investigational Sites	Payment	[redacted]	$ [redacted]	$ [redacted]
Administer Vendor Payments	Payment	[redacted]	$ [redacted]	$ [redacted]
Quality Assurance Oversight	Hours	[redacted]	$ [redacted]	$ [redacted]
Quality Plan	Plan	[redacted]	$ [redacted]	$ [redacted]
DATA MANAGEMENT				$ [redacted]
Data Management Oversight - Dir Data Management	Hours	[redacted]	$ [redacted]	$ [redacted]
Data Management - Project Management	Hours	[redacted]	$ [redacted]	$ [redacted]
EDC Access Management	Hours	[redacted]	$ [redacted]	$ [redacted]
CRF Design	Study	[redacted]	$ [redacted]	$ [redacted]
CRF Completion Guidelines	Guidelines	[redacted]	$ [redacted]	$ [redacted]
UAT Plan	Plan	[redacted]	$ [redacted]	$ [redacted]
Data Management Plan	Plan	[redacted]	$ [redacted]	$ [redacted]
Coding Convention Guidelines	Plan	[redacted]	$ [redacted]	$ [redacted]
Database Build (Medrio)	Build	[redacted]	$ [redacted]	$ [redacted]
Database Design and User Acceptance Testing	Study	[redacted]	$ [redacted]	$ [redacted]

BIOSTATISTICS AND PROGRAMMING				**$** [redacted]
Biostatistics Oversight - Principal Statistician	Hours	[redacted]	$ [redacted]	$ [redacted]
Biostatistics Oversight - Statistician	Hours	[redacted]	$ [redacted]	$ [redacted]
Biostatistics Oversight - Programmer	Hours	[redacted]	$ [redacted]	$ [redacted]
Protocol Development	Protocol	[redacted]	$ [redacted]	$ [redacted]
CRF Design Review and Annotations	Study	[redacted]	$ [redacted]	$ [redacted]
Database User Acceptance Testing	Hours	[redacted]	$ [redacted]	$ [redacted]
Randomization Generation	Study	[redacted]	$ [redacted]	$ [redacted]
MEDICAL WRITING				**$** [redacted]
Medical Writing Project Oversight - Medical Writer	Hours	[redacted]	$ [redacted]	$ [redacted]
Medical Writing Project Oversight - VP Medical Writing	Hours	[redacted]	$ [redacted]	$ [redacted]
Protocol	Protocol	[redacted]	$ [redacted]	$ [redacted]
DRUG SAFETY				**$** [redacted]
Project Start Up	Study	[redacted]	$ [redacted]	$ [redacted]
Argus Validation (First Study)	Database	[redacted]	$ [redacted]	$ [redacted]
COMMUNICATION AND MEETINGS				**$** [redacted]
Project Kick-off Meeting with Client	Meeting	[redacted]	$ [redacted]	$ [redacted]
Internal Kick-off Meeting	Meeting	[redacted]	$ [redacted]	$ [redacted]
Attend Investigator and CRA Training Meetings	Meeting	[redacted]	$ [redacted]	$ [redacted]
Client Teleconference	Teleconference	[redacted]	$ [redacted]	$ [redacted]
Internal Teleconference	Teleconference	[redacted]	$ [redacted]	$ [redacted]
CRA Teleconferences	Teleconference	[redacted]	$ [redacted]	$ [redacted]
Subtotal				**$** [redacted]
PASS THROUGH COSTS				**$** [redacted]
Travel (Monitoring)				$ [redacted]
Site Supplies, Shipping, Printing, Misc				$ [redacted]
Ethics Committee Fees				$ [redacted]
US Investigator/Site Costs				$ [redacted]
eTMF Hosting				$ [redacted]
EDC / ePRO				$ [redacted]
IRT				$ [redacted]
Central Laboratory Services				$ [redacted]
Translations				$ [redacted]
Site Payment Support				$ [redacted]
C-SSRS license				$ [redacted]
[redacted] - Cardiac Safety				$ [redacted]
Google Ads				$ [redacted]
GRAND TOTAL				**$ 1,394,037.16**

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, John Docherty, 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, 2023

/s/ John Docherty
John Docherty
President 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, Christopher Bunka, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: July 14, 2023

/s/ Christopher Bunka
Christopher Bunka
Chief Executive Officer & Director
(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, John Docherty, 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, 2023 (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, 2023

/s/ John Docherty
John Docherty
President 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, Christopher Bunka, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Lexaria Bioscience Corp. for the quarter ended May 31, 2023 (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, 2023

/s/ Christopher Bunka
Christopher Bunka
Chief Executive 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.