

FORM 7

MONTHLY PROGRESS REPORT

Name of CSE Issuer: Lexaria BioScience Corp.

Trading Symbol: LXX

Number of Outstanding Listed Securities: **75,813,471**

Date: **October 5, 2018**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Lexaria Bioscience Corp. has developed and out-licenses its proprietary technology for improved taste, rapidity, and delivery of bioactive compounds. Lexaria has multiple patents pending in over 40 countries around the world and was granted its first patent in the USA in October, 2016. Lexaria's technology provides increases in intestinal absorption rates; more rapid delivery to the bloodstream; and important taste-masking benefits, for orally administered bioactive molecules including but not limited to cannabinoids, vitamins, NSAIDs, and nicotine.

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

On September 7, 2018, the Company announced additions to its patent portfolio. Three new Australian patents were granted to Lexaria by the Australian Patent Office, bringing the Company's worldwide patent portfolio to eight issued patents: four each in the US and Australia. All eight patents are within Lexaria's first patent family, "Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof", and significantly strengthen Lexaria's intellectual property claims in the US and Australia. The three new Australian patents are projected to expire on June 10, 2035.

The US Patent & Trademark Office also issued two new Notices of Allowance for pending patent applications and the Company expects to receive corresponding US issued patents prior to year-end 2018. The Company is concurrently pursuing accelerated examination in Australia based on these US Notices of Allowance and expects two new Australian patents to also be issued prior to year-end 2018. If issued in both the US and Australia, the Company will then hold twelve issued patents within its first patent family and continues to pursue claims in corresponding pending applications within this first patent family around the world. Lexaria has now filed a total of over 50 patent applications across nine current patent families.

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

Separately, Lexaria received US\$128,000 from the exercise of 250,000 warrants at the price of US\$0.44 and the exercise of 30,000 warrants at the price of US\$0.60, previously granted to third parties who are neither officers nor directors of the Company.

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

2. Provide a general overview and discussion of the activities of management.

Please refer to #1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Please refer to #1 above.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Please refer to #1 above.

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

This is not applicable to the Issuer.

11. Report on any labour disputes and resolutions of those disputes if applicable.

This is not applicable to the Issuer.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	280,000	Warrants exercised 250,000 at US\$0.44 and 30,000 at US\$0.60	US\$128,000

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The issuer has sufficient funds for the current fiscal year, but may need to raise additional funds to continue operations thereafter.

The Issuer is not aware of any trends that manifested themselves in the past month that have an impact on its business or markets, other than general market volatility.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 5, 2018

"Chris Bunka"

Name of Director or Senior Officer

"Chris Bunka"

Signature

Chairman/CEO

Official Capacity

Issuer Details Name of Issuer Lexaria BioScience Corp.	For Month End SEPTEMBER 2018	Date of Report YY/MM/DD 18/10/05
Issuer Address 156 Valleyview Road		
City/Province/Postal Code Kelowna, BC V1X 3M4	Issuer Fax No. 250-765-2599	Issuer Telephone No. 250-765-6424
Contact Name Chris Bunka	Contact Position CEO	Contact Telephone No. 250-765-6424
Contact Email Address cbunka@lexariabioscience.com	Web Site Address www.lexariabioscience.com	