

FORM 7

MONTHLY PROGRESS REPORT

Name of CSE Issuer: Lexaria Bioscience Corp.

Trading Symbol: LXX

Number of Outstanding Listed Securities: **77,650,421**

Date: **February 1, 2019**

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 January 15, 2019, Lexaria Bioscience Corp. issued a press release announcing a partnership with Altria Ventures Inc., a subsidiary of Altria Group, Inc., to fund research and development of DehydraTECH™ technology for oral nicotine. A copy of the news release was posted January 15, 2019 on CNSX.ca website and reads as follows:

Lexaria Bioscience Announces Partnership with Altria to Fund Research and Development of DehydraTECH™ Technology for Oral Nicotine

- Lexaria Nicotine LLC and a subsidiary of Altria Group, Inc. have entered into a definitive investment agreement.
- The Altria investment will fund research on regulatory compliant, oral forms of nicotine delivery.
- Altria has been granted exclusive DehydraTECH™ license rights to commercialize oral nicotine products in the United States.
- Lexaria Bioscience retains majority equity ownership of Lexaria Nicotine LLC.

Kelowna, British Columbia – January 15, 2019 – Lexaria Bioscience Corp. (OTCQX: LXP) (CSE: LXX) (“Lexaria Bioscience”), a drug delivery platform innovator, is pleased to announce that its wholly-owned subsidiary Lexaria Nicotine LLC (“Lexaria Nicotine”) and Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc. (NYSE:MO) (“Altria”), have executed definitive agreements to pursue innovation in oral, reduced risk nicotine consumer products using Lexaria's patented DehydraTECH™ technology. Lexaria's DehydraTECH™ technology enhances the performance of beneficial compounds in ingestible products across four categories: taste & smell, speed of action, bio-absorption and bioavailability.

Funding

Altria is funding a milestone-based research & development program (“R&D Program”) in exchange for a minority equity interest in Lexaria Nicotine and certain DehydraTECH™ license rights. Altria will provide initial funding of US\$1 million, with the option for additional funding of up to US\$12 million through multiple phased private financings.

R&D Program

Lexaria Nicotine will execute a comprehensive series of clinical investigations of oral forms of nicotine delivery, utilizing Lexaria's patented DehydraTECH™ technology.

DehydraTECH™ License

Altria has been granted a license to use Lexaria Bioscience's patented DehydraTECH™ technology for oral nicotine delivery forms on an exclusive basis in the United States and a non-exclusive basis elsewhere globally. Altria will pay Lexaria Nicotine a royalty on revenue generated from the sale of nicotine products containing DehydraTECH™, until such time it may acquire 100% ownership in Lexaria Nicotine.

Additional Information

Altria will initially have the right to appoint one of the seven directors on Lexaria Nicotine's board of directors and, through the additional phased investments, may have the right to appoint up to three of the seven directors.

Altria has the option to acquire 100% ownership interest in Lexaria Nicotine commensurate with then-current fair market value. Lexaria Bioscience has not sold or optioned any of its own equity. As announced on October 10, 2018, Lexaria Bioscience has created a number of individual subsidiaries – including Lexaria Nicotine – in a structure whereby Lexaria Bioscience retains ownership of its patented DehydraTECH™ technology and licenses its use to multiple molecular classes, including nicotine.

On January 25, 2019, Lexaria Bioscience Corp. issued a press release regarding warrant exercises and share issuances. A copy of the news release was posted January 28, 2019 on CNSX.ca website and reads as follows:

January 25, 2019 – Lexaria Bioscience Corp. (OTCQX: LXRP) (CSE: LXX) (the “Company” or “Lexaria”), a drug delivery platform innovator, announces it has received funds from the exercise of warrants. Lexaria has received US\$108,000 from the exercise of 180,000 warrants at the exercise price of US\$0.60 previously granted to third parties who are neither officers nor directors of the Company and has issued 180,000 common shares as a result. Lexaria has also issued 100,000 restricted common shares at an issue price of US\$1.31 as required by a consulting agreement.

No commissions or placement fees have been paid related to the funds received from these warrants exercised. Proceeds will be used for general corporate purposes.

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

Please refer to #1 above.

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- 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.

Not Applicable.

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.

Not Applicable.

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.

Please refer to #1 above.

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.

Not Applicable.

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.

Not Applicable.

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

Please refer to #1 above.

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.

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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.

Not Applicable.

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

Not Applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	180,000	Warrants exercised at US\$0.60	US\$108,000
Common Shares	100,000	Common shares at US\$1.31 issued per consulting agreements	N/A

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

Not Applicable.

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

Not Applicable.

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

The Issuer is not aware of any other 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 February 1, 2019

"Chris Bunka"

Name of Director or Senior Officer

"Chris Bunka"

Signature

Chairman/CEO

Official Capacity

<i>Issuer Details</i> Name of Issuer Lexaria Bioscience Corp.	For Month End January 31, 2019	Date of Report YY/MM/DD 19/02/01
Issuer Address #100, 740 McCurdy Rd.,		
City/Province/Postal Code Kelowna, BC V1X 2P7	Issuer Fax No. 250-765-2599	Issuer Telephone No. 250-765-6424
Contact Name Alex Blanchard	Contact Position Manager Corporate Communications	Contact Telephone No. 250-765-6424
Contact Email Address ir@lexariabioscience.com	Web Site Address www.lexariabioscience.com	