

Lexaria Bioscience Provides Update on R&D Program Progress under License Agreement with Altria

Kelowna, British Columbia– October 8, 2019 – Lexaria Bioscience Corp. (OTCQX: LXRP) (CSE: LXX) (the “Company” or “Lexaria”), a global innovator in drug delivery platforms, is pleased to provide this update on the ongoing relationship and pursuit of innovation in oral, reduced risk nicotine consumer products using Lexaria’s patented DehydraTECH™ technology, underway between Altria Ventures Inc., an indirect wholly owned subsidiary of Altria Group, Inc (NYSE:MO) (“Altria”) and Lexaria’s majority owned subsidiary Lexaria Nicotine LLC (“Lexaria Nicotine”).

Most of the investigation and work within this first phase of the project is either complete or significantly underway, with one remaining aspect ready to commence imminently. To date, results have been positive and are supportive of successfully completing this first phase.

Successful completion of phase one will be the first step in developing commercially viable products using Lexaria’s technology. The existing Altria Ventures Inc. and Lexaria Nicotine licensing agreement provides for royalties to be paid to Lexaria Nicotine on worldwide revenues from oral nicotine products sold, should Altria decide to utilize Lexaria’s patented DehydraTECH™ technology, whether in the US or around the world.

“The program between Altria and Lexaria is progressing nicely and is enabling a clearer understanding of the potential of delivering nicotine through oral forms that avoid lung absorption,” said Chris Bunka, CEO of Lexaria Bioscience and Lexaria Nicotine. “Lexaria strongly believes that, given the choice, many of the world’s one billion smokers would elect to experience their nicotine in a manner that does not rely on either smoking or vaping, and Lexaria can help enable these alternatives.”

Lexaria believes that oral forms of nicotine delivery can be a positive contributor to methods of reduced-risk access to nicotine with far superior health outcomes to traditional combustible cigarettes. In both human clinical studies and in animal studies, DehydraTECH has repeatedly demonstrated its ability to enhance the bio-absorption and bioavailability performance of beneficial compounds in ingestible products. Lexaria’s patented DehydraTECH technology could offer the world enhanced satisfactory oral nicotine delivery and usher in a new era of reduced-risk nicotine use through enhanced consumer choices.

About Lexaria

Lexaria Bioscience Corp. is a global innovator in drug delivery platforms. Its patented DehydraTECH™ drug delivery technology changes the way Active Pharmaceutical Ingredients enter the bloodstream, promoting healthier ingestion methods, lower overall dosing and higher effectiveness for lipophilic active molecules. DehydraTECH increases bio-absorption; reduces time of onset; and masks unwanted tastes for orally administered bioactive molecules including cannabinoids, vitamins, non-steroidal anti-inflammatory drugs (NSAIDs), nicotine and other molecules. Lexaria has licensed DehydraTECH to multiple companies in the cannabis industry for use in cannabinoid beverages, edibles and oral products; and to a world-leading tobacco

producer for the development of smokeless, oral-based nicotine products. Lexaria operates a licensed in-house research laboratory and holds a robust intellectual property portfolio with 16 patents granted and over 60 patents pending worldwide.

www.lexariabioscience.com



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FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements. Statements which are not historical facts are forward-looking statements. The Company makes forward-looking public statements concerning its expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, including statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements, including but not limited to: that any additional patent protection will be realized or that patent achievements will deliver material results. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Factors which could cause actual results to differ materially from those estimated by the Company include, but are not limited to, government regulation and regulatory approvals, managing and maintaining growth, the effect of adverse publicity, litigation, competition, scientific discovery, the patent application and approval process and other factors which may be identified from time to time in the Company's public announcements and filings. There is no assurance that existing capital is sufficient for the Company's needs or that it will be able to raise additional capital. There is no assurance the Company will be capable of developing, marketing, licensing, or selling edible products containing nicotine or any other active ingredient. There is no assurance that any planned corporate activity, scientific research or study, business venture, letter of intent, technology licensing pursuit, patent application or allowance, consumer study, R&D project with Altria Group, Inc or any initiative will be pursued, or if pursued, will be successful or completed. There is no assurance that any of Lexaria's postulated uses, benefits, or advantages for the patented and patent-pending technology will in fact be



realized in any manner or in any part. No statement herein has been evaluated by the Food and Drug Administration (FDA). Lexaria-associated products are not intended to diagnose, treat, cure or prevent any disease.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.