

Lexaria Provides Strategic Update from CEO

Kelowna, British Columbia– January 9, 2020 – Lexaria Bioscience Corp. (OTCQX: LXRP) (CSE: LXX) (the “Company” or “Lexaria”), a global innovator in drug delivery platforms, announces the following strategic update. (This is a shortened version of the full Strategic Update from the CEO. For the full version, please go to www.lexariabioscience.com/news/)

“Lexaria’s brightest days lie in the future, not in the past,” said Chris Bunka, Chief Executive Officer of Lexaria Bioscience Corp. Lexaria achieved many things during 2019 – indeed, management feels that it achieved virtually all that it had set out to accomplish and it was its best year ever from an operational perspective. Market forces caused a retreat in valuations across the sector to the point where Mr. Bunka commented that “It is my own opinion that Lexaria shares are dramatically undervalued – more so today than at any time in our history.”

Not many small-cap or nano-cap companies ever manage to achieve any kind of official relationship with Fortune 500-style companies. Some of the largest corporations in the world have asked about our technology and we knew from those discussions that our DehydraTECH™ technology had the ability to deliver more important results than simply getting cannabis users to feel their desired effects quickly. While it will take additional time to design and gain approval for next-generation nicotine products both within America and around the world, Lexaria is highly confident that it will do so. Lexaria is proud to have attracted Altria Group, Inc, owner of both combustible and non-combustible tobacco companies which have been the undisputed market leaders in the U.S. tobacco industry for decades.

During 2019 we finalized a new contractual relationship with a GMP-certified, FDA registered production company to get enhanced DehydraTECH powders to market in the US with current capacity of roughly 200,000 servings per day which can be increased to 400,000 servings per day within the same facility, as needed. Lexaria is experiencing strong demand from many companies requesting pre-processed DehydraTECH-enhanced bulk powders for their specific product lines and with this facility, we can meet that demand.

Lexaria’s IP strategy continues to pay dividends, as we received our first ever patents to use DehydraTECH with cannabinoids for treatment of health conditions including Alzheimer’s, Schizophrenia, Parkinson’s, and heart disease, in August 2019 in Australia. Lexaria is utilizing the procedural tools offered by the international Patent Prosecution Highway, to try to gain fast-track patent status for these same conditions in the US during 2020. Strengthened patent claims related to health conditions better empower Lexaria to build relationships in the pharmaceutical industry; one of our goals for 2020.

As we begin Q1 of 2020, we are seeing signs of increases in revenue to Lexaria that should be sustainable and supportive of future growth. One of our existing US clients is embarking on an aggressive growth strategy from their home state to several additional states within the next year. Another existing US client is in the next 90 days launching their bottled beverage with CBD and DehydraTECH technology within, generating first-ever revenue for Lexaria during Q1.

With existing clients, Lexaria expects to more than double its entire 2019 revenue. With a rich pipeline of prospective additional clients onboarding during 2020, we expect to see further gains

in revenue. Comfort with our working relationships with existing corporate clients enables us to say we expect strong, sustainable revenue growth in 2020 and beyond.

One objective for the Company during 2020 is to dramatically alter our capital markets strategy. During the last six months Lexaria has met with a number of Wall Street investment banking firms as we devise our long-term capital markets strategy. Lexaria expects to pursue a strategy during 2020 to qualify for listing on a nationally-recognized US exchange, allowing a dramatically larger audience of investors to consider Lexaria's attributes and opening a path to increased quantity and quality of strategic opportunities.

To see the full Strategic Update, please go to www.lexariabioscience.com/news/

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 cannabinoids, 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, or any initiative will be pursued, or if pursued, will be successful. 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.