

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Lexaria Bioscience Corp. (the "Issuer").

Trading Symbol: LXX

Number of Outstanding Listed Securities: 78,787,134

Date: September 3, 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 Exchange 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 Exchange 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 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. ("Lexaria") 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 has been granted eight patents in the USA and seven patents in Australia. 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 August 1, 2019 Lexaria engaged Integra Consulting Group LLC to assist with developing its US capital markets strategy and with communicating information and maintaining public awareness of Lexaria to shareholders, broker-dealers and the financial community.

See Press Release dated August 2, 2019

On August 9, 2019 Health Canada issued Lexaria CanPharm ULC, Lexaria's subsidiary company, a research and development licence for use with cannabis.

See press release dated August 13, 2019

On August 22, 2019, Lexaria officially launched its ChrgD+ CBD powder, being the industry's most advanced water-soluble multi-spectrum hemp oil in powdered format utilizing Lexaria's DehydraTECH™ technology for fast, effective delivery. ChrgD+™ is currently only for sale in certain US States that have legalized CBD.

See press release dated August 22, 2019

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.

Please refer to #1 above for information regarding the launch of ChrgD+ CBD powder.

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.

Not Applicable.

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.

Not Applicable.

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.

Lexaria has been granted the following patents, via its wholly-owned subsidiary Poviva Corp.

- I. **Australia Patent #2016367036 / Grant Date July 30, 2019 – Methods for formulating orally ingestible compositions comprising lipophilic active agents.**
- II. **Australia Patent #2018220067 / Grant Date July 30, 2019 – Food and beverage compositions infused with lipophilic active agents and methods of use thereof**
- III. **US Patent #10,374,036 / Grant Date August 6, 2019 - Food and beverage compositions infused with lipophilic active agents and methods of use thereof**
- IV. **US Patent #10,381,440 / Grant Date August 13, 2019 - Food and beverage compositions infused with lipophilic active agents and methods of use thereof**
- V. **Australia Patent #2016367037 / Grant Date August 15, 2019 – Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents**

The patents noted under items I and V are significant as they reflect the first patents issued in Lexaria's second and third patent families and also include claims for the use of Lexaria's DehydraTECH technology for pharmaceutical applications in connection with a broad range of therapeutically active substances.

See press release dated August 15, 2019 and August 27, 2019

- 10. Report on any employee hirings, 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	150,000	Issued for consulting services	N/A
Options	450,000	Issued to independent contractor	N/A
Options	100,000	Issued to new director	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.

Lexaria appointed Mr. Brian Quigley to its board as an independent director.

See press release dated August 14, 2019

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.

On July 24, 2019, Quebec announced that it intends to prohibit the sale of candies, confections and desserts infused with cannabis which may limit the Issuer's ability to license its technology for use in the Province of Quebec. The draft regulations proposed by the Quebec government are open to public comment until September 7, 2019.

In August, 2019 the American Bar Association, being the U.S.A.'s largest professional organization of lawyers, adopted resolutions urging US Congress to reform federal marijuana laws and made three recommendations: (i) adopt the STATES Act or a similar act which would prevent the federal arm of the government interfering with US States that have legalized marijuana use; (ii) reschedule or deschedule marijuana under the Controlled Substances Act; and (iii) support more marijuana research.

Due to the size of this professional association and the wide range of clientele that it supports, this resolution is reflective of the changing

attitudes towards marijuana in the US which may result in more US marketplaces opening for the use of Lexaria's technology.

The Government of Mexico has completed four days of open parliament events seeking opinions on the anticipated legalization of marijuana which is scheduled for October 2019. Upon the legalization of marijuana in Mexico, another marketplace will open for the use of Lexaria's technology.

Recent cases of severe respiratory illness and a confirmed death linked to vaping may result in a consumer shift towards edible products for the purposes of ingesting, rather than smoking or vaping, nicotine and/or THC. Lexaria's subsidiary, Lexaria Nicotine LLC and its partner the Altria Group are currently using the DehydraTECH technology to research regulatory compliant, oral forms of nicotine delivery.

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 the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 3, 2019.

Chris Bunka
Name of Director or Senior
Officer

"Chris Bunka"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer LEXARIA BIOSCIENCE CORP.	For Month End August 31, 2019	Date of Report YY/MM/D 19/09/03
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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	