October 9, 2020

Lexaria Provides Update on Ongoing Business Relationship with Altria Ventures

Kelowna, British Columbia - October 9, 2020- Lexaria Bioscience Corp. (OTC:LXRP) (CSE:LXX)(CNSX:LXX.CN)(the "Company" or "Lexaria"), a global innovator in drug delivery platforms updates the status of the business relationship between Altria Ventures Inc. ("Altria") and Lexaria Nicotine LLC ("Lexaria Nicotine").

Altria now has non-exclusive licence rights to use DehydraTECH™ for both the US and worldwide markets under a predefined royalty structure payable to Lexaria Nicotine. Altria owns 16.67% of the equity of Lexaria Nicotine in connection with Altria's funding of Lexaria's nicotine R&D program in 2019. Lexaria Bioscience Corp. owns the remaining 83.33% equity of Lexaria Nicotine. Altria holds one seat on the Board of Directors of Lexaria Nicotine and has no ownership or board representation of Lexaria Bioscience Corp.

Altria has not exercised its First Warrant Tranche (as such term is defined in the Warrant and Option Agreement dated as of January 15, 2019 among Lexaria, its majority-owned subsidiary Lexaria Nicotine LLC and Altria) to invest a further staged payment into Lexaria Nicotine and that warrant therefore expired along with Altria's former exclusive access to DehydraTECH for the US market, at 11:59 PM on October 8, 2020.

"The research program initiated in 2019 with Altria significantly advanced our understanding of our patented DehydraTECH drug delivery technology and indirectly led to additional advancements we are already exploiting in other market sectors," said Chris Bunka, CEO of Lexaria. "We have since entered a R&D framework agreement with an international leader in the nicotine market and look forward to additional developments in advancing reduced-risk methods of oral nicotine delivery through our newly strengthened ability to serve the US market."

On October 22, 2019, the U.S. Food and Drug Administration ("FDA") issued its first-ever modified risk tobacco product ("MRTP") ruling related to eight smokeless tobacco products designed for oral use. The FDA allowed claims for these products that using these products "instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis." Lexaria strongly supports the use of orally-delivered nicotine products as a sensible alternative to combusted tobacco and believes DehydraTECH will play an important role in this alternative.

The 2019 R&D program was initiated to evaluate oral nicotine delivery performance of an earlier 2018 DehydraTECH oral nicotine formulation. The primary results related to the early-stage DehydraTECH formulation were that:

- It demonstrated acceptable chemical and microbiological stability;

- It was well tolerated in a 7-day, repeat-dose acute toxicology study in rats with no test article-related effects on survival, macroscopic findings, or organ weights and no test article-related histopathological tissue findings;

- It created no issues with throat burn and irritation in oral pouch and chew formats at standard commercial doses upon small scale sensory analysis in humans; and

- It demonstrated formation of a unique mixture of nanoparticles without formation of a covalently linked, new molecular entity construct upon molecular characterization by Canada's National Research Council (NRC); and is therefore not believed to be preclusive of Premarket Tobacco Product Application ("PMTA") applicability in this respect.

Lexaria continues to advance its R&D programs and showcase its advanced technology to tobacco, nicotine and pharmaceutical companies and continuously seeks to expand its portfolio and calibre of research collaborators and commercial partners.

About Lexaria

Lexaria Bioscience Corp's. (OTCQX: LXRP) proprietary drug delivery technology, DehydraTECH(TM), improves the way active pharmaceutical ingredients (APIs) enter the bloodstream by promoting healthier ingestion methods and increasing the effectiveness of fat-soluble active molecules, thereby lowering overall dosing. The Company's technology can be applied to many different ingestible product formats, including foods, beverages, oral suspensions, tablets, and capsules. DehydraTECH increases bio-absorption by up to 5-10x, reduces time of onset from 1 - 2 hours to 15 - 20 minutes, and masks unwanted tastes for orally administered bioactive molecules, including anti-virals, 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. For more information, please visit 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. These statements may be identified by words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions, including but not limited to any statement 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 the Company will actually achieve the plans, intentions, or expectations disclosed in these forward-looking statements. As such, you should not place undue reliance on these 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, the inherent uncertainties in the initiation and completion of preclinical and clinical studies, whether interim results from a clinical study will be predictive of the final results of the study or the results of future studies, the risk that trials and studies may be delayed and may not have satisfactory outcomes, potential adverse effects arising from the testing or use of products utilizing the DehydraTECH technology, the Company's ability to maintain existing collaborations and realize the benefits thereof, and other factors which may be identified from time to time in the Company's public announcements and filings. There is no assurance that any third-party will proceed with commercialization of products even after obtaining a license to use the Company's DehydraTECH technology. 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 becapable of developing, marketing, licensing, or selling edible products containing any 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.

Any forward-looking statements contained in this release speak only as of the date hereof, and the Company expressly disclaims any obligation to update any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

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