FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **XORTX Therapeutics Inc.** ("XORTX" or "the Issuer").

Trading Symbol: **XRX**

Number of Outstanding Listed Securities: **81,179,118** (as at August 31, 2020)

Date: **September 15, 2020**

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.

   The Issuer is a bio-pharmaceutical company dedicated to the development and commercialization of therapies to treat progressive kidney disease. The Company's focus is on developing three therapeutic products to slow and/or reverse the progression of kidney disease in patients at risk of end stage kidney failure, address the immediate need of individuals facing COVID-19 induced acute kidney injury and the identification of other opportunities where the Company's existing and new intellectual property can be leveraged to address health issues.

   The primary development program for XORTX is at a late clinical stage and is focused on demonstrating the effectiveness and potential of a first-in-class therapy for autosomal dominant polycystic kidney disease ("ADPKD"), an orphan disease. In addition, XORTX is continues to evaluate new chemical entities for the treatment of type 2 diabetic nephropathy ("T2DN"). The COVID-19 program focuses on protecting kidney function when viral infection may lead to acute kidney injury. This program relies on Oxypurinol's advanced clinical development stage and a new formulation of this drug to protect kidney structure and function.

   The Company's most advanced development program, XRx-008 is a late clinical stage program focused on demonstrating the potential of the Issuer's first-in-class therapy for ADPKD. XRx-008 is the development name given to XORTX's proprietary oral formulation of Oxypurinol, and shows increased oral bioavailability compared to Oxypurinol alone.

   XORTX is also developing a second oral formulation of Oxypurinol (XRx-101) for use in treating patients infected with the coronavirus COVID-19 infection and suppression of acute kidney injury and associated health consequences.

And finally, XORTX is currently evaluating xanthine oxidase inhibitor candidates for the XRx-221 program to treat T2DN as well as developing new chemical entities to address the large unmet medical need.

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

In August 2020, XORTX continued to advance both its ADPKD program (XRx-008) toward a phase 3 "registration" clinical trial and 'orphan designation' as well as its COVID-19 treatment program (XRx-101, a new formulation of Oxypurinol) as a novel treatment for acute kidney and lung injury accompanying Coronavirus infection and specifically for the COVID-19 infection.

Advancements continued in the month of August with continued work with LONZA Group on the manufacture of Oxypurinol, communications with the FDA Coronavirus Treatment Accelerated Program and the US Medical Countermeasures Group as well as seeking non-dilutive funding with several grant agencies.

On August 4th, the Issuer announced a partnership with the Icahn School of Medicine at Mount Sinai, New York to study the incidence of Acute Kidney Injury and Hyperuricemia in patients hospitalized with COVID-19. This clinical study in nearly 4,000 patients with COVID-19 builds upon unpublished observations from over 1,100 individuals, where greater than 60% of individuals with acute kidney injury had elevated uric acid levels above the normal range. The partnership with the Icahn School of Medicine at Mount Sinai in New York is an investigator-led study focused on evaluation of more than 5,600 individuals with COVID-19 infection. The investigator-led clinical study with Drs. Steven Coca and Jaime Uribarri will provide clarity on the association of xanthine oxidase and uric acid acute kidney injury and multi-organ injury with COVID-19 infection and guide further therapeutic development.

On August 7th, the Issuer announced the appointment of Dr. David Sans as Director, Corporate Development. Dr. Sans will be based in New York City and will be responsible for planning and facilitation of XORTX corporate goals. Dr. Sans is an experienced pharmaceutical executive.

On August 28th, the Issuer announced that Ian Klassen will join the XORTX board of directors effective immediately to replace Bruce Cousins. Ian brings almost 30 years of business management, public relations and government affairs experience to the Company. He previously served as Chief of Staff to the Canadian Speaker of the House of Commons and is currently President & CEO of two gold exploration companies listed on the TSX Venture Exchange and was a founding director of Canabo Medical Corp. a public company which for a period of time operated Canada's largest group of physician-led referral-only clinics for medical cannabis. Mr. Klassen has extensive experience chairing governance, audit, risk assessment and compensation committees. He holds a B.A. (Honours) from the University

of Western Ontario and is a recipient of the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country. In connection with his appointment, the Company granted Mr. Klassen 150,000 options to purchase common shares of the Company at a price of $0.24 per share for a period of five years.

3. Describe and provide details of any new products or services developed or offered.

None.

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.

None.

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.

The Issuer entered into a partnership with the Icahn School of Medicine at Mount Sinai, New York to study the incidence of Acute Kidney Injury and Hyperuricemia in patients hospitalized with COVID-19. See further details under 2 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.

None.

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.

None.

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

None.

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.

None.

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

None.

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.

None.

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

In the month of August, the Issuer granted 150,000 options exercisable at $0.24 for a period of five years to a new director.

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

None.

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

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There are no identified market trends that are expected to impact the Issuer. The Issuer continues to monitor research and development related to kidney diseases.

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 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 15, 2020.

Allen Davidoff
Name of Director or Senior Officer

"Allen Davidoff"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer **XORTX Therapeutics Inc.**	For Month End **August 2020**	Date of Report **September 15, 2020**
Issuer Address **2400-745 Thurlow Street**		
City/Province/Postal Code **Vancouver BC, V6E 0C5**	Issuer Fax No. **(403) 260-3501**	Issuer Telephone No. **(403) 607 2621**
Contact Name **Allen Davidoff**	Contact Position **CEO**	Contact Telephone No. **(403) 607-2621**
Contact Email Address **adavidoff@xortx.com**	Web Site Address **www.xortx.com**	