FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: XRX

Number of Outstanding Listed Securities: 62,919,691 (as at July 31, 2018)

Date: August 10, 2018

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 therapeutics company developing a proprietary reformulation of Oxypurinol in certain orphan kidney diseases. XORTX has developed a proprietary reformulation of Oxypurinol, a xanthine oxidase inhibitor ("XOI"). This class of therapeutics has been previously reviewed by the FDA and has a well-known clinical safety and effectiveness profile for use in the treatment of gout, although published evidence suggests a much broader use of this therapy should be developed.

   The primary development program for the Issuer's XOI is at the clinical development stage and efforts are focused on demonstrating the efficacy and safety of Oxypurinol in autosomal dominant polycystic kidney disease ("ADPKD"). ADPKD is an orphan disease indication and XORTX believes the Oxypurinol formulation, if approved, will be a first in class treatment for progressive kidney disease.

   XORTX is also evaluating a number of new chemical entities that are XOI inhibitors which would be developed for the treatment of type 2 diabetic nephropathy ("T2DN"). The Company believes T2DN represents a large and underserved market opportunity for this class of therapies.

   XORTX intends to grow its business by completing two phase II clinical trials in ADPKD and T2DN with a plan to out-license these to commercial partners worldwide. In addition, XORTX plans to grow by expanding its knowledge and technical expertise into new programs to treat orphan progressive kidney disease, fatty liver disease, and health issues related to diabetes.

   XORTX's overall strategic goal, subject to sufficient funding being available, is to have two phase II trials underway within 12 months, advancing two proprietary products into scientifically rigorous phase II testing.

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

   Management has submitted a pre-IND meeting request letter to the FDA and continues the planning for submission of an IND to advance its ADPKD program into phase II trials and in addition will pursue 'orphan designation' for this program.

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.

   No new products or services developed or offered.

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.

   None.

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.

    None.

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

    None.

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

    Bruce Cousins was elected at the XORTX annual and special meeting of shareholders held June 27, 2018.

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 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).

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4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 10, 2018.

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 July 2018	Date of Report August 10, 2018
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
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