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 March 31, 2020)

Date: **April 13, 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 research and development company focused on developing small molecules to treat progressive kidney disease. The Issuer has three products in development. The first, XRx-008, is a late stage drug development program for the treatment of autosomal dominant polycystic kidney disease (ADPKD). The second, XRx-221, is a phase 2b stage program that is under a co-development agreement with Teijin Pharma Limited ("Teijin") to develop Teijin's TMX-049 for treatment of type 2 diabetic nephropathy (T2DN). The third, XRx-101, is an early development program for the treatment of acute kidney and lung injury accompanying Coronavirus infection and specifically the COVID-19 infection. XORTX has submitted PCT patent applications for proprietary reformulations of Oxypurinol, a xanthine oxidase inhibitor ("XOI") for both XRx-008 and XRx-101.

   The Issuer's XRx-008 and XRx-101 are proprietary reformulations of Oxypurinol, a xanthine oxidase inhibitor that is well characterized as safe and effective in man. Although never approved for clinical use, 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. XORTX anticipates advancing development of XRx-008 into a phase 3 registration trial to demonstrate the efficacy and safety of Oxypurinol in individuals with ADPKD. ADPKD is an orphan disease indication and XORTX believes its XRx-008 formulation, if approved, will be a first in class treatment for this progressive kidney disease.

   XORTX is focused on developing XRx-221 (TMX-049), a xanthine oxidoreductase inhibitor, under a co-development agreement for the treatment of individuals with T2DN. XORTX believes that T2DN represents a large and underserved market opportunity for this class of therapies.

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

In March 2020, XORTX continued to advance both of its ADPKD program toward a phase 3 "registration" clinical trial and to obtain 'orphan designation' for this program and its T2DN program through its relationship with Teijin.

XORTX also explored the potential of using 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. On March 16, 2020, the Issuer announced that it had reviewed recent studies characterizing the outbreak of COVID-19 in mainland China and that these published reports clearly illustrate that acute kidney injury ("AKI") and acute pulmonary injury are key factors in the most serious cases of COVID-19 hospitalization and death. Based on these recent studies, the Company believes that its Oxypurinol formulation, XRx-101, has the potential to be a front-line treatment for severe cases of Coronavirus and the ability to decrease morbidity and mortality in hospitalized patients. Management's belief that XRx-101 is a possible treatment for COVID-19 is based upon its potential anti-viral properties, and historic animal and human data that show that acute tissue injury can lead to rapid accumulation of uric acid and uric acid crystals that aggregate in kidneys and induce acute kidney injury[1,2]. When acute kidney injury accompanies pneumonia, post-discharge outcomes are worse than either diagnosis alone. Patients who survive a pneumonia hospitalization and develop acute kidney injury are at high risk for major adverse kidney events including death and should receive careful follow-up[2]. Perhaps more importantly, Oxypurinol has been previously studied for anti-viral properties[3], a characteristic that may decrease morbidity and mortality of COVID-19. Importantly, Oxypurinol has in the past received an "Approval Letter" from the US FDA, potentially accelerating development for this purpose.

References:

1 Wilson FP., Tumor Lysis Syndrome, Adv Chronic Kidney Dis, 21(1)18, 2014 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4017246/

2 Chawla LS., Amdur RL., Faselis C., Kimmel PL., Palant CE., Impact of Acute Kidney Injury in Patients Hospitalized with Pneumonia, Crit Care Med, 45(4)600-606, 2017 https://www.ncbi.nlm.nih.gov/pubmed/28291091

3 El-Farrash, Youssef JM., and El-Mongy SE., Allopurinol as a potential therapeutic agent for recurrent herpes labialis, J Med Dent Sci, Jun 50(2):147-154

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.

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.

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: April 13, 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 **March 2020**	Date of Report **April 13, 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**
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