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 September 30, 2020)

Date: **October 8, 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 September 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 September 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 September 15th, the Issuer announced a study by Chan et al, published on September 9, 2020 that highlighted the seriousness of acute kidney injury (AKI) in individuals hospitalized with COVID-19 coronavirus, which study showed that a large proportion of individuals have slow recovery of their kidney injury even months after COVID-19 if they are fortunate enough to survive and avoid fulltime dialysis. The study highlighted the severity of the developing kidney disease crisis associated with COVID-19 coronavirus infection and concluded that:

1. **In 3,993 hospitalized patients with COVID-19 AKI occurred in 46%, 19% of patients required dialysis;**
2. **In-patient mortality was 50% amongst those patients with AKI; and**
3. **Of all patients with AKI, only 30% survived with recovery of kidney function by the time of hospital discharge.**

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: October 8, 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 **September 2020**	Date of Report **October 8, 2020**
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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**
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