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XORTX Announces Private Placement

CALGARY, AB – January 7, 2021 – XORTX Therapeutics Inc. ("**XORTX**" or the "**Company**") (CSE: XRX; OTCQB: XRTXF), a biopharmaceutical company focused on developing innovative therapies to treat progressive kidney disease, announces a non-brokered private placement to raise between CDN \$2,000,000 and CDN \$3,000,000 through the issuance of between 8,000,000 and 12,000,000 common share units of the Company at a price of CDN \$0.25 per unit (the "Private Placement"). Each Unit will comprise one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder, on exercise, to purchase one additional common share in the capital of the Company, at a price of CDN \$0.35 per Warrant until the close of business on the day which is 36 months from the Closing Date, provided, however, that, if, at any time following the expiry of the statutory four month hold period, the closing price of the common shares on the Canadian Securities Exchange (the "CSE") is greater than \$0.45 for 10 or more consecutive trading days, the Warrants will be accelerated and the Warrants will expire on the 20th business day following the date of such notice.

The Company may pay finder's fees on a portion of the Private Placement in accordance with applicable securities laws and the policies of the CSE. All securities issued under the Private Placement will be subject to a four month and one day "hold period" under applicable Canadian securities legislation.

The Private Placement is subject to approval of the CSE.

The proceeds from the sale of the Units will be utilized by the Company for pre-clinical trials, IND (Investigative New Drug) filing for XRx-008 for polycystic kidney disease (a phase 3 ready program), R&D and for general corporate purposes.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

In other news, the Company also announces that it has retained The Chesapeake Group, Inc. ("Chesapeake") to create and execute a new proactive investor relations program for current and potential investors. Chesapeake will control all aspects of investor outreach with an emphasis on investor education and corporate transparency. Chesapeake is an award-winning full-service investor relations firm that has been assisting public companies since 1996. The initial term of the agreement is for a four month period, which can be terminated with 30 days' notice and compensation consists of the payment of US\$10,000 and issuance of 100,000 common shares per month, which common shares will be subject to a four month and one day "hold period" under applicable Canadian securities legislation.

About XORTX Therapeutics Inc.

XORTX Therapeutics Inc. is a biopharmaceutical company with three clinically advanced products in development – XRx-008 for Autosomal Dominant Polycystic Kidney Disease (ADPKD), XRx-101 for Coronavirus / COVID-19 infection and XRx-221 is a clinical stage program for Type 2 Diabetic Nephropathy



XORTX Therapeutics Inc.

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(T2DN). The Company has strong intellectual property rights and established proof of concept through independent clinical studies. XORTX is working to advance its clinical development stage products that target xanthine oxidase to inhibit production of uric acid. At XORTX Therapeutics, we are dedicated to developing medications to improve the quality of life and future of patients with kidney disease. Additional information on XORTX Therapeutics is available at www.xortx.com.

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The CSE has neither approved nor disapproved the contents of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

This news release includes forward looking statements that are subject to assumptions, risks and uncertainties. Statements in this news release which are not purely historical are forward looking statements, including without limitation any statements concerning the Company's intentions, plans, estimates, beliefs or expectations regarding the future. Although the Company believes that any such intentions, plans, estimates, beliefs and expectations in this news release are reasonable, there can be no assurance that any such intentions, plans, beliefs and expectations will prove to be accurate. The Company cautions readers that all forward looking statements, including without limitation those relating to the Company's future operations and business prospects, are based on assumptions none of which can be assured, and are subject to certain risks and uncertainties that could cause actual events or results to differ materially from those indicated in the forward looking statements. Readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance on forward looking statements. Any forward looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward looking statements, or to update the reasons why actual events or results could or do differ from those projected in the forward looking statements. The Company assumes no obligations to update any forward looking statements, whether as a result of new information, future events or otherwise.