FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

XORTX Therapeutics Inc. (formerly, APAC Resources Inc.) (the "**Company**")
Suite 2400 – 745 Thurlow Street
Vancouver, BC V6E 0C5

Item 2: Date of Material Change

January 10, 2018

Item 3: News Release

A news release was disseminated through the services of Marketwired on January 10, 2018.

Item 4: Summary of Material Change

On January 10, 2018, the Company completed its previously announced reverse take-over and acquisition of all of the issued and outstanding shares ("**XORTX Pharma Shares**") of XORTX Pharma Corp. (the "**Acquisition**"). Pursuant to the Acquisition, the Company consolidated its share capital on the basis of one post-consolidation common share of the Company ("**APAC Shares**") for every four pre-consolidation APAC Shares (the "**Consolidation**"). The Company acquired 100% of the outstanding XORTX Pharma Shares in consideration for the issuance of APAC Shares (as constituted following the Consolidation) on the basis of 2.311 post-consolidation APAC Shares for every one issued XORTX Pharma Share resulting in the issuance of 53,909,451 APAC Shares being issued to the holders of XORTX Pharma Shares.

In addition, the Company raised $1,957,370 by way of a private placement through the issuance of 3,914,740 units (the "**Units**"), at a price of $0.50 per Unit, completed concurrently with the completion of the Acquisition (the "**Financing**"). Each Unit consists of one post-consolidation APAC Share and one APAC Share purchase warrant ("**Warrant**"), each Warrant entitling the holder to purchase one additional post-consolidation APAC Share at a price of $0.80 for a period of two years from the date of issuance of the Units.

The directors and executive officers of the Company are now:

Allen Davidoff	Director, President and Chief Executive Officer
John Meekison	Chief Financial Officer
Alan Moore	Director
Bruce Rowlands	Director

Item 5.1: Full Description of Material Change

On January 10, 2018, the Company completed the Acquisition. In connection with the Acquisition, the Company underwent the Consolidation, whereby the Company consolidated its share capital on the basis of one post-consolidation APAC Share for every four pre-consolidation APAC Shares. Following the Consolidation, there were 5,095,500 APAC Shares issued and outstanding. Pursuant to the Acquisition, the Company acquired 100% of the outstanding XORTX Pharma Shares in consideration for the issuance of APAC Shares (as constituted following the Consolidation) on the basis of 2.311 post-consolidation APAC Shares for every one issued XORTX Pharma Share which resulted in the issuance of 53,909,451 APAC Shares being issued to the holders of XORTX Pharma Shares.

The Company also completed the Financing concurrently with the Acquisition. Pursuant to the Financing, the Company raised $1,957,370 by way of a private placement through the issuance of 3,914,740 Units, at a price of $0.50 per Unit. Each Unit consists of one post-consolidation APAC Share and one Warrant, each Warrant entitling the holder to purchase one additional post-consolidation APAC Share at a price of $0.80 for a period of two years from the date of issuance of the Units. The terms of the Warrants provide that in the event that the APAC Shares trade on the Canadian Securities Exchange at a closing price of greater than $1.20 per share for a period of 10 consecutive trading days at any time after four months and one day after the closing date of the Financing, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof by way of a news release and, in such case, the Warrants will expire on the 30th day after the date of dissemination of such news release. The Units are subject to a statutory hold period expiring on May 10, 2018. Finders fees in the aggregate amount of $45,000 and 90,000 Warrants were paid to registered broker dealers in connection with the Financing.

With the closing of the Acquisition and the Financing, the Company changed its name to “XORTX Therapeutics Inc.”.

The directors and executive officers of the Company are now:

Allen Davidoff	Director, President and Chief Executive Officer
John Meekison	Chief Financial Officer
Alan Moore	Director
Bruce Rowlands	Director

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

Allen Davidoff
President and Chief Executive Officer
403-607-2621

Item 9: Date of Report

January 16, 2018

READER ADVISORY

This report is not an offer of the securities for sale in the United States. The securities 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 exemption from registration. This report 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.