July 18, 2013

Dear Shareholders,

Our mission as a biotech company is to develop treatments for cancer, infectious disease, and inflammation to save and improve lives. Our research and development programs include cancer, Lyme disease, HIV/AIDS, sepsis, staph/strep infection, PANDAS, preeclampsia, and other inflammatory diseases. This year we will reach significant milestones in that mission.

In March, we announced the important signing of a two-year commitment with MedBridge Development Company, LLC ("MedBridge") to provide funding and administrative support toward the operational needs of the company. The MedBridge commitment provides funding of up to $550,000 over the next 24 months and enables us to focus our energies on research and development. The services include but are not limited to accounting, documentation support, clerical support, reception, public relations, and other administrative matters deemed necessary by both parties. MedBridge also provides offices to serve as VG Life Sciences' Corporate Headquarters in Santa Barbara, CA. All of these important objectives are now in place.
In addition, MedBridge recently completed a 90 day review of our management practices, structure and processes.

Recommendations from that review are as follows:

- Put in place immediately a full time interim President/CEO to run daily operations and set in place the recommendations of this review.
- In 2014, conduct a formal search for an experienced biotech company President/CEO.
- Focus on advancing technologies that are near or in FDA clinical trials. Specifically, this includes beginning our animal safety studies for our Targeted Peptide Technology (TPT) as well as completing the FDA Phase I clinical trials for one of our Metabolic Disruption Technology (MDT) compounds as a combination treatment for carcinomas currently underway at the University of Texas Health Science Center.
- Strategically prepare for the completion of the cancer FDA phase I clinical trials and TPT animal safety studies for Q3 or Q4 2013 including necessary FDA filings and strategic partnerships.
- Assess all patents controlled by the company to determine priorities, viability and maintenance costs.
- Initiate additional funding with appropriate lockup provisions to meet near term capital needs.
- Allocate resources to administer grant applications for further research and testing of VGLS existing technologies.
- Provide additional administrative and financial support to our scientists to leverage their time to advance our technologies in or near trials.
- Revamp the company's website to provide clear presentations and information on the VGLS technologies to the public and interested investors.
- Seek further collaboration with VGLS's disease related foundations and interest groups.

To advance these recommendations we have taken the following actions:

VGLS' Board of Director member John Tynan will become full time interim President/CEO effective immediately. Mr. Tynan started TynanGroup, Inc. in 1991 and grew it to successful company as a leader in real estate development services across the country, overseeing more than $4 billion of construction. TynanGroup was on INC Magazine's list of the fasting growing companies and today includes a host of sister companies including MedBridge Development Company, LLC and Anchor Point IT Solutions. Prior to starting TynanGroup, he was Vice President for Hyatt Development Corporation where he oversaw $1.5 billion project expenditures and over 9,000 people. Mr. Tynan has a BS in Civil Engineering from the University of Illinois and a MBA in finance from DePaul University. "My focus is on achieving specific goals to increase shareholders' value and support our exceptional research team," said Mr. Tynan.

I will remain as Chairman of the Board and provide transitional and continuity support to Mr. Tynan and the company as Vice President of Intellectual Property & Product Development.

In addition we have announced the following positions:

- Dr. Karen Newell, Chief Scientific Advisor
- Brennan de Raad, Chief Operating Officer
- Garrett Johnson, Corporate Project Manager
- Richard Tobin, Scientific Advisor
- Caleb Rhoads, Controller
- Alex Sumner, Corporate Communications
- Skye Harris, Grant Coordinator

A note on Mr. Tobin: He is a PhD candidate already working with our Chief Scientist, Dr. Karen Newell at Texas A&M. As such, he has an excellent working relationship with Dr. Newell and our technologies. His PhD is expected to be awarded this year. With the combined expertise of Dr. Newell and the presumptive Dr. Tobin, VG Life Sciences will continue to have excellent scientific expertise as it moves forward.

Importantly, Dr. Newell was recently appointed Director of Translational Medicine at the Scott and White Healthcare System based in Temple, Texas. Her role will be to translate cutting edge research models into effective therapies, as well as facilitate collaboration between physicians and scientists as they seek to find novel treatments for clinical conditions. Dr. Newell will report directly to the Chief Medical Officer and the CEO for Scott and White Health Care. We are all very excited for Karen as she continues her work to bring scientific advancements out of the lab and into the clinic.

Moving to our research and development news, we completed the third cohort enrollment of cancer pre-IND Stage I clinical trials earlier this month. This phase I study has been aimed at examining the safety and efficacy of one of Dr. Karen Newell's Metabolic Disruption Technology compounds, hydroxychloroquine (HCQ), in combination with an existing cancer drug, sorafenib (marketed as Nexavar™). These studies provide information on drug tolerability as well as other toxicological information. Favorable safety data will allow this study to advance to the fourth and final cohort of Phase I later this summer.

Further, this month we received a proposal from Charles River to conduct the animal safety trials for our TPT technology. This will begin as soon as financially viable and will be completed in Q1 2014. Once these animal safety studies have been successfully completed, they will clear the way for our Target Proprietary Peptide (TPP) to be tested in a phase I clinical trial. As the peptide treatment is conserved across many of the possible uses, all animal study and phase I safety data can be used to support future FDA IND applications. Thus structurally we are preparing for these significant company milestones.

We know we are entrusted with important technologies that may make people's health better. As such, we are intently focused to move through these next milestones to advance MDT and TPT through trials and to market.

Be well,

Haig Keledjian
Chairman of the Board
VP of Intellectual Property & Product Development
VG Life Sciences, Inc.

Visit www.**VG**lifesciences.com