

January 13, 2015

**Dear Shareholders,**

Here at VG Life Sciences, our mission is to move our revolutionary drugs from the research laboratory to pre-clinical studies to clinical trials and to market expeditiously. Our path is now clear, and we are working ever harder to increase your shareholder value. As we wrap up a busy year, I wanted to update our shareholders on a number of important milestones and events.

**2014 Goals**

We began 2014 by setting specific goals for the year:

1. Continue animal safety studies for our patented peptide VG1177.
2. Initiate and complete prior year independent company financial audits.
3. Initiate and complete a new SEC Form 10 and become a fully reporting publicly traded company.
4. Up-list the company off the OTC Pink Sheets to the OTCQB Marketplace.
5. Complete our Phase I cancer trials at the University of Texas for our combination drug treatment.

I am proud to report that we have met all these goals.

**Research**

Throughout the year, research continued at our laboratory at Texas A&M under the direction of VG Life Sciences' Lead Scientist, Dr. M. Karen Newell Rogers, PhD. Collaborating with research scientists from leading institutions around the country, Dr. Newell is actively researching applications of VG1177 in the following diseases:

- HIV/AIDS
- Hypertension
- Brain Trauma
- Glioblastoma
- Preeclampsia
- Diabetes
- Lyme Diseases
- Crohn's/Ulcerative Colitis
- Rheumatoid Arthritis
- Autoimmune Myocarditis
- Heart Failure
- Multiple Sclerosis
- Lymphedema
- Alzheimer's

In the 4th Quarter, we contracted with a lab based at the University of Utah to conduct a comprehensive Theiler Virus mouse model using VG1177. The results of this epilepsy model will be available in Q1 2015.

As we reported October 20, one of our scientific advisors, Dr. Richard Tobin, PhD, published data demonstrating that traumatic brain injury (TBI) causes the body to inflict additional neural damage via the immune system. Dr. Tobin's research showed that immune therapy using VG Life Sciences' patented peptide VG1177 can improve the condition. This has important applications for sports, combat and auto accidents.

Separately, we have completed our Phase I clinical trial conducted at the Cancer Therapy & Research Center at the University of Texas Health Sciences Center at San Antonio. This involves patients with solid tumors and examines the safety and efficacy of hydroxychloroquine (HCQ) in combination with sorafenib (marketed as Nexavar®) co-developed by Bayer AG and Onyx Pharmaceuticals. VG Life Sciences Inc. holds the use patent

(applied for) for this combination treatment. There are sufficient evaluable patients to conclude that this combination, maximum dose and schedule are sufficiently safe for additional clinical testing. In addition, the study found tumor reduction and stabilization in a number of patients in the third and fourth cohorts who had higher dosing. Because of the experimental design, we can conclude that these positive effects are not due to sorafenib alone but due to the combination treatment.

### **Intellectual Property**

Our primary asset is our intellectual property (IP), and we must sacredly guard this impressive portfolio. To do that the company has a long and productive relationship with one of the country's top IP law firms, Wolf, Greenfield & Sacks, P.C. in Boston. They have advised us on over 40 US and international patents and patent applications. Over the past 9 months, we have carefully scrubbed all our IP holdings with our attorneys to make sure our applications, fees and filings are current and prioritized. Thus, I can report with certainty and confidence that our IP house is in order.

In October, we met with our patent examiner at the patent office in DC, and she has since indicated that she is issuing the composition patent on VG1177.

I would like to thank all our colleagues here at VG Life Sciences, our research collaborators and partner institutions across the country, our experts in law, securities, IP and accounting, and especially, you - our investors. As we continue to move through 2015, we will keep you informed of our progress.

### **Financial**

In 2014, VG Life Sciences received an additional \$1,022,500 secured with convertible debentures. We anticipate additional funding in 2015 of a similar magnitude to fund ongoing operations.

Noteworthy from our audit, the company has an Accumulated Deficit of \$99,779,313. This is not unusual for a biotech company coming out of its research phase. As the company moves to market and revenues, this carry-forward will be used against those revenues to lessen our tax obligations as permitted by the IRS.

### **2015 Goals**

Our goals in 2015 will be to complete the Animal Safety Studies expeditiously, begin a Phase I clinical trial with VG1177, expand our cancer clinical trial at the University of Texas and enter meaningful discussions with biotech/pharma companies about collaborations using our technologies.

We wish you and yours the best of everything in 2015.

Be well,

**John P. Tynan**  
President & CEO  
VG Life Sciences, Inc.



## **About VG Life Sciences Inc.**

Santa Barbara, California-based VG Life Sciences, Inc., formerly known as Viral Genetics, is a biotechnology company focused on discovering and developing drug therapies for cancer, infectious disease, and inflammatory, autoimmune disorders. VGLS controls over 40 US and international patents and pending patents protecting its exclusive biotech platform technologies.

For more information and upcoming events, visit [www.vglifesciences.com](http://www.vglifesciences.com) or find VG Life Sciences, Inc. on Facebook, Twitter, and LinkedIn.

## **Safe Harbor Statement and Forward-Looking Statements**

This news release may contain forward-looking statements that involve risks and uncertainties associated with financial projections, milestone timelines, clinical development, regulatory approvals and other risks described by VG Life Sciences from time to time in its periodic reports. None of VG Life Sciences' drug compounds are approved by the US FDA or by any comparable regulatory agencies elsewhere in the world. Therefore, there can be no assurance that the forward-looking statements included in this release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the forward-looking statements should not be regarded as a representation by VG Life Sciences Inc. or any other person that the objectives and plans of VG Life Sciences will be achieved.

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