VGLS NOTES KEY PATENTS, LICENSE AND OTHER MAJOR ACHIEVEMENTS IN THE FIRST HALF OF 2015

Dear Shareholders,

Here at VG Life Sciences, our mission is to save and improve lives through the development of transformative treatments for cancer, infectious diseases, and the chronic inflammation intrinsic to autoimmune diseases. We have made significant progress in a number of areas in the first half of 2015. We'd like to update you on our accomplishments.

Intellectual Property

Our intellectual property, a portfolio of over 40 U.S. and foreign patents and/or pending patent applications, is our primary asset. Earlier this year, that portfolio was strengthened with important new additions.

The U.S. Patent and Trademark Office (USPTO) issued a composition-of-matter patent covering methods for modulating immune system function through the targeting of CLIP (Class II-associated invariant chain peptide), which plays a key role in chronic inflammation and autoimmune diseases, including HIV/AIDS, hypertension, preeclampsia, and traumatic brain injury. U.S. Patent No. 8957031 covers the targeted peptide technology underlying VGLS's VG1177, a synthetic peptide that has the ability to displace CLIP and block its harmful effects.

The USPTO also issued U.S. Patent No. 8906846, covering a method of treating inflammatory bowel disease (IBD). Over a million Americans have IBD and as of now are not medically curable.

The USPTO advised VGLS that it is issuing a use patent on the company's hydroxychloroquine (HCQ)/sorafenib combination cancer treatment. VGLS is currently sponsoring clinical trials at the University of Texas using this combination treatment.

We also renegotiated an institutional licensing agreement with Scott & White Healthcare for the rights to certain tangential intellectual property. During those negotiations, our auditors required us to report that we withheld payment to Scott & White; shortly thereafter, a new agreement was executed, and we are current on all payments.

Research

As reported previously, we have completed our Phase 1 clinical trial conducted at the Cancer Therapy & Research Center at the University of Texas Health Science Center at San Antonio. This trial involved patients with solid tumors and examined the safety and efficacy of HCQ in combination with sorafenib (marketed as Nexavar®), co-developed by Bayer AG and Onyx Pharmaceuticals.

In Phase 1, tumor reduction and stabilization was shown in a number of patients in the third and fourth cohorts, all of whom had higher doses of the combination therapy. The design of this clinical trial allowed us to conclude that these positive effects can be attributed to the combination therapy and not sorafenib alone.

We are currently working with the University of Texas on the design and funding of the next phase of this important clinical trial.

Meanwhile, research has continued at our laboratory at Texas A & M University under the direction of VGLS Chief Scientist M. Karen Newell-Rogers, PhD. Collaborating with research scientists from leading institutions around the country, Dr. Newell-Rogers is actively pursuing applications of VG1177 in autoimmune diseases and chronically inflammatory conditions.

For the past 18 months, the Company has been conducting animal safety studies with our patented peptide VG1177, which is a significantly longer investigation than anticipated. In those studies, we have been unable to develop a proper dose response curve using direct and indirect methods for measuring peptide exposure in vivo.

Examples of the indirect methods we have used included a mouse epileptic seizure model (Theiler's virus model) at the University of Utah and a rheumatoid arthritis rat model at Bolder BioPATH Laboratory in Colorado. Neither study generated the information necessary to develop a dose response curve.

Thus, we have implemented our chemist's recommendations and modified VG1177 to increase its stability, while also improving its tolerability and solubility. These peptide modifications are not expected to alter VG1177's biological activity

After completing the modifications, we began conducting validation studies at our laboratory at Texas A & M University. We expect these studies to conclude in 2016. When they are completed, we intend to resume animal safety studies at ITV Laboratories in Canada. The animal safety studies are the next important step toward clinical trials.

Concurrently, we will continue using the original sequence of VG1177 in vivo and in vitro as a valuable tool to research the role of CLIP and invariant chain peptide in autoimmune and chronic inflammatory conditions.

Financial

In 2Q 2015, VGLS received a commitment of an additional $600,000 secured with convertible debentures and a further revolving line of credit from MedBridge Development LLC to meet our financial requirements.

For the remainder of 2015, we will complete the validating studies for our VG1177 modifications, restart the animal safety studies and expand our cancer clinical trial at the University of Texas. Meanwhile, we will keep you updated with the latest news and exciting developments through company press releases.

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, inflammatory disease, and autoimmune disorders. VGLS controls over 40 U.S. and international patents and pending patents protecting its exclusive biotech platform technologies.

For more information and upcoming events, visit www. vglifesciences.com, or find VG Life Sciences, Inc. on Facebook, Twitter, and LinkedIn.

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