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FREGOLD VENTURES ANNOUNCES CLOSING OF EQUITY FINANCING

May 20, 2016 (Vancouver, BC) – Freegold Ventures Limited ("Freegold" or the "Corporation") (TSX:FVL) is pleased to announce that it has closed its previously announced marketed public offering (the "Offering") of units (the "Units") of the Corporation for total gross proceeds of \$7,283,118. The Corporation has issued 40,461,766 Units at a price of \$0.18 per Unit. The Offering was completed through Paradigm Capital Inc. (the "Agent"), acting as agent.

Each Unit consists of one common share in the capital of Freegold and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one common share at any time prior to 5:00 p.m. (Toronto time) on the date that is 3 years following the closing date of the Offering at a price of \$0.25.

The Corporation has also granted the Agent an option to cover over-allotments and for market stabilization purposes (the "Over Allotment Option"), which will allow the Agent to arrange for purchasers to acquire up to an additional 15% of the Units issued pursuant to the Offering. The Over Allotment Option will be exercisable, in whole or in part, at any time until noon (Toronto time) on the 30th day following the closing of the Offering.

The Corporation intends to use the net proceeds of the Offering for exploration and metallurgical work to be completed at the Corporation's Golden Summit and Shorty Creek projects in Alaska and for general working capital purposes.

The Offering was completed pursuant to the Final Short Form Prospectus of the Corporation dated May 13, 2016 (the "Prospectus") which has been filed in each of the provinces of Alberta, British Columbia and Ontario. The Prospectus contains important detailed information about the securities being offered. Investors should read the prospectus before making an investment decision. A copy of the Prospectus is available on SEDAR at www.sedar.com or from the Agent by contacting the Agent at ecm@paradigmcap.com.

This press release does not constitute an offer of securities for sale in the United States or to "U.S. persons" ("U.S. persons"), as such term is defined in Regulation S promulgated under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities being offered have not been, nor will be, registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from such registration requirements.

About Freegold Ventures Limited

Freegold is a TSX listed company focused on exploration in Alaska and holds the Golden Summit Gold Project, near Fairbanks as well as a 100% lease interest on the Shorty Creek Copper – Gold – Molybdenum Project near Livengood.

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This news release contains “forward-looking information” which may include, but is not limited to, statements with respect to the Offering, including the ultimate number of Units to be sold pursuant to the Offering, its expected timing of completion, the receipt of required regulatory approvals and the use of net proceeds therefrom. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations of such words and phrases), or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will be taken”, “occur” or “be achieved”. In making the forward-looking statements in this news release, the Corporation has applied certain factors and assumptions that it believes are reasonable, including that there is no material deterioration in general business and economic conditions; that there are no adverse changes in relevant laws or regulations; that the supply and demand for, deliveries of, and the level and volatility of prices of metals and minerals develop as expected; that the Corporation receives any regulatory and governmental approvals for its projects on a timely basis; that the Corporation is able to obtain financing on reasonable terms; that the Corporation is able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Corporation’s exploration plans are not incorrectly estimated or affected by unforeseen circumstances and that any environmental and other proceedings or disputes are satisfactorily resolved.

However, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and uncertainties related to metal recoveries, those factors discussed or referred to under “Risk Factors” in the Corporation’s annual information form for the year ended December 31, 2015 dated March 30, 2016. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained or incorporated by reference herein are made as of the date of this news release, based on the opinions and estimates of management at that time. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation does not undertake to update any forward-looking statements, except as required by applicable securities laws.