



Operating the new High Grade Copperstone Gold Mine in Arizona

June 2012

AMERICAN
Bonanza
GOLD CORP.

FORGING A NEW HIGH GRADE GOLD COMPANY



Cautionary Statement

Forward Looking Statements: Certain statements contained in this presentation constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements.

Resources: This presentation uses the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. “Inferred Resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. The Resources in this document were prepared and filed in accordance with National Instrument 43-101

The resource estimate was prepared by Jonathan Brown., M.B.A., C.P.G., a qualified person under NI 43-101. The reserve estimate was prepared by Tom Buchholz, B.S. Eng - MMSA QPM, a qualified person. The estimates are effective as of February 2, 2010. Details of the key assumptions, parameters, and methods used to estimate the mineral reserves and resources, and information regarding the extent to which the mineral resources and reserves may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues is contained in a technical report entitled "NI 43-101 Technical Feasibility Report Copperstone Project, La Paz County, Arizona" effective February 2, 2010 and revised January 10, 2011", prepared for American Bonanza Gold Corp. by Dr. Corby Anders, Allihies Inc., MMSA QP, C. Eng FICHEM E, Tom Buchholz, BS Eng. MMSA, Chris Pratt, LPG and Jonathan Brown, M.B.A., C.P.G.. To review this report in its entirety please visit www.americanbonanza.com.. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Key Assumptions are described in detail in the technical report entitled "NI 43-101 Technical Feasibility Report Copperstone Project, La Paz County, Arizona" effective February 2, 2010 and revised January 10, 2011", described above, and available for review on www.sedar.com and on www.americanbonanza.com. For the purpose of resource and reserve calculations, a gold price of USD962 per ounce was used. For resources, a cutoff grade of 5.1 g/t was used. For reserves, a cutoff grade of 4.5 g/t was used.

Information in this presentation has been prepared under the supervision of Douglas R. Wood, LPG, a professional geologist employed by American Bonanza and a qualified person under NI 43-101. Numbers in this presentation may not add up due to rounding.



American Bonanza: Strategy

To build a portfolio of producing gold mines in North America by:

- Developing high grade, high quality projects with upside exploration potential that can be put into production rapidly.
- High grade + high quality = low capital and operating costs and rapid development.
- Utilising cash flow to support acquisition, development, and future production.

Create a highly profitable mid-tier gold producing company



Management Team

- **Brian Kirwin – President and CEO, Director**

- 30 years metal mining experience, from exploration to development to production. Extensive international experience evaluating deposits, operating mines, risk management and corporate transactions. MSc at an operating gold mine in Nevada.
- Former Vice President, Exploration of Vengold (1997-2000)
- Formerly with Placer Dome Inc. in Senior Corporate Development and Exploration roles (1990-1997)

- **Todd Fayram – Chief Operating Officer**

- 22 years experience in mine, process, and metallurgical engineering worldwide
- Served as General Manager, Project Development Manager, or VP Operations at over half-dozen mines
- Consultant to Lakeshore Gold, Getty Copper, Minefinders, AngloAmerican, Freeport among others

- **Douglas Wood – Vice President Exploration**

- Over 30 years experience in precious metals exploration and project development
- Played a significant role in the modern expansion of discoveries, reserves and operations on the Carlin Trend while serving as Newmont's Exploration Manager, Great Basin, covering the Carlin Trend from 1984 to 1991

- **Joe Chan – Vice President and Chief Financial Officer**

- 25+ years of accounting, administration and system experience in the mining industry
- Former experience with Teck Cominco (1992 to 2002); former controller for various public companies, including International Taurus Resources Inc., since 2003



Copperstone Mine, Arizona

- 100% owned high grade underground mine
- Previous open-pit operated by Cypress (apx. 500,000 ounces produced)
- La Paz County; 17km from town of Parker
- Excellent logistics; water, power, roads
- Fully permitted and construction complete
- In production; currently in ramp-up phase
- Experienced management team
- Good relationships with local communities
- Resource expansion: Significant upside potential

Decision made in 2008 to go into production on the existing resource. Resource expansion drilling suspended and feasibility study commenced.



Copperstone Mine: Gold Resources and Reserves

Mineral Resource Classification	Tonnes	Grade (g/t Gold)	Contained Ounces of Gold
Measured Resources	934,000	10.4	311,000
Indicated Resources	8,000	7.9	2,000
Measured & Indicated	942,000	10.3	313,000
Inferred (South Zone only)	335,000	12.2	132,000

Mineral Reserve Classification	Tonnes	Grade (g/t Gold)	Contained Ounces of Gold
Proven Reserves (diluted)	904,000	8.8	255,000
Probable Reserves (diluted)	6,000	6.3	1,000
Proven & Probable (diluted)	910,000	8.8	256,000

All reserves and resources are prepared and filed in accordance with NI 43-101. Mineral Reserves are contained within the Measured and Indicated Mineral Resources. Inferred Mineral Resources are in addition to Measured & Indicated Mineral Resources. Gold price used is USD962/ounce. Cutoff grade for resources is 5.1 g/t, and for reserves is 4.5 g/t. Full details are available at www.sedar.com and www.americanbonanza.com. Please see disclosure on page 2.



Copperstone Mine; The Past Two Years

- 2 years of rapid development from feasibility (2010):
 - Fully permitted in 1 year
 - Mine & mill construction complete with \$25m capex
 - Mining team assembled & operating
 - Mining fleet acquired & operating
 - Fully equipped & staffed on-site assay lab



Images from June 2011





Copperstone Mine: End 2012 Milestones

1. Full gold production by fall 2012
2. Development of positive cash flow from operation
3. Drilling substantial exploration upside
4. Identification of acquisition options; start of corporate growth strategy

High grade gold assay bead



Mine Office Complex



Processing plant



Copperstone Mine Today

Ramp-up progress in April (design rate targets are 450 tons per day throughput; 3,000 ounces produced per month):

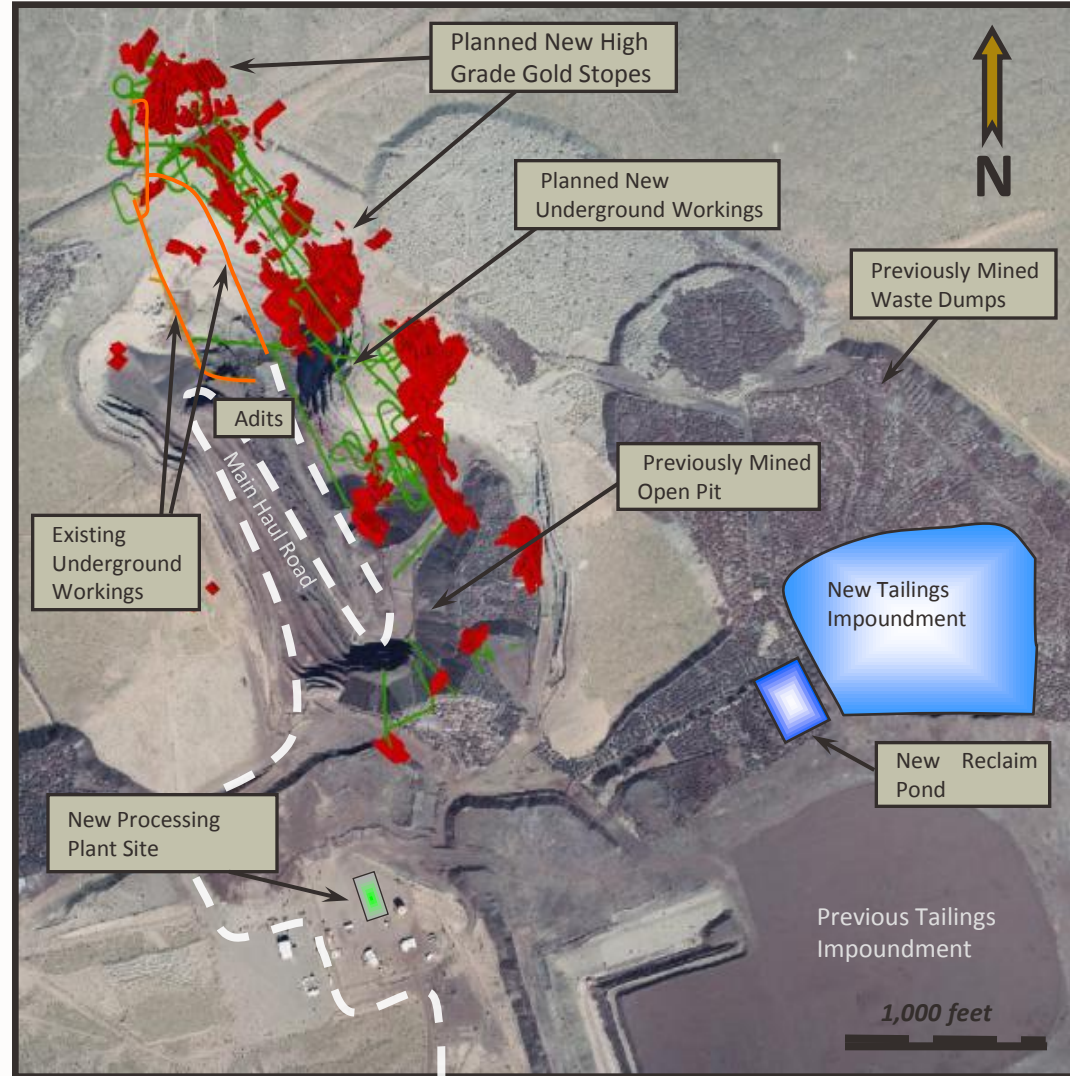
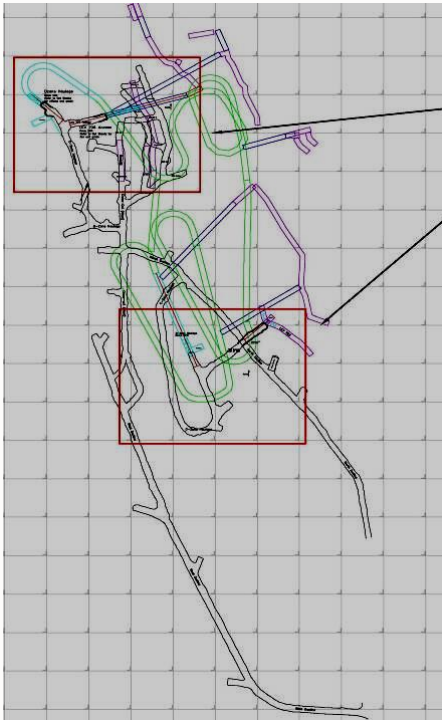
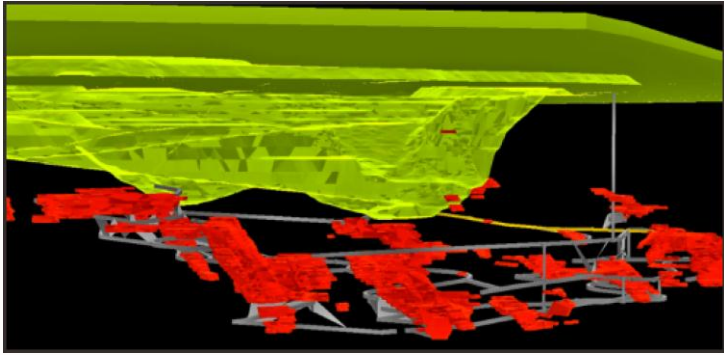
1. 5,375 tons of ore mined; 40% of design output
2. 5,455 tons milled; 40% of design output
3. 1,060 oz gold recovered; 35% of design rate
4. Gold sales of 1,186 oz achieved; 40% of design rates
5. Overall recovery rate; 85%
6. Tailings grade is low at 0.036 oz per ton
7. Concentrate Shipment Grade; concentrates graded between 48 and 54 oz of gold per ton, well above design
8. Mining focus = 3 zones; mine will have sufficient ore stopes available to achieve design output



Overall recovery stands at 85% for April



Copperstone Mine: Mine Plan





Copperstone Mine: Mine Progress

- Free gold in gangue of primary oxide minerals; gold easily recovered in gravity & flotation circuits
- Mine focus as follows:
 - D Zone – Main ore source to date; backfill cycle underway, completed in June; will resume ore mining
 - C Zone – Access established in early June; stopes being developed during June;
 - North D Zone – development heading expected to arrive during August
- Development is aimed at opening three zones for mining of ore; triple the working ore zones mined to date

5,375 tons of ore mined during April; approximately 180 tons per day or 40% of design output

Mineralized ore body





Copperstone Mine: Underground Mine in 2012



North Decline Portal



North Decline Portal



North Decline connects to West Decline



Ore Stockpile near Crusher



Safety Chamber



Mineralized Ore Body



Copperstone Mine: Mining Fleet



Underground Bolter



Surface Haul Trucks



Underground Loader



Mine Shop and Team

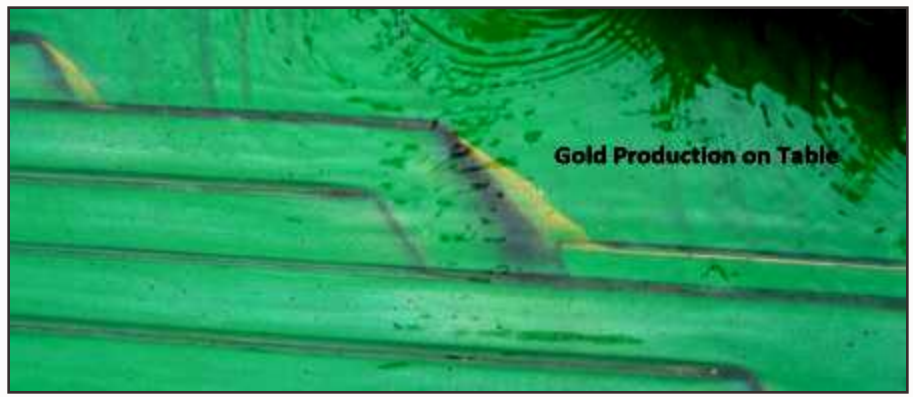
Copperstone Mine: Processing Facility

- Crush, grind, gravity, flotation circuit
- Currently permitted for 450 tons per day; plant capacity to 700 tons per day
- Additional Knelson concentrator & Gemini table added
- Performing well in terms of throughput, recovery, concentrate grades

5,455 tons milled during April. Processing plant is capable of running at design throughput, recovery, and concentrate grade rates



Flotation tank



Gemini table



Copperstone Mine: Completed Processing Facility



Grinding Mills



Flotation Cells



Processing Plant



Secondary Crusher



Copperstone Mine: Completed Processing Facility



Crushing Circuit; plant in background



Jaw crusher & feed bin



Gold Jigs



Electrical control room

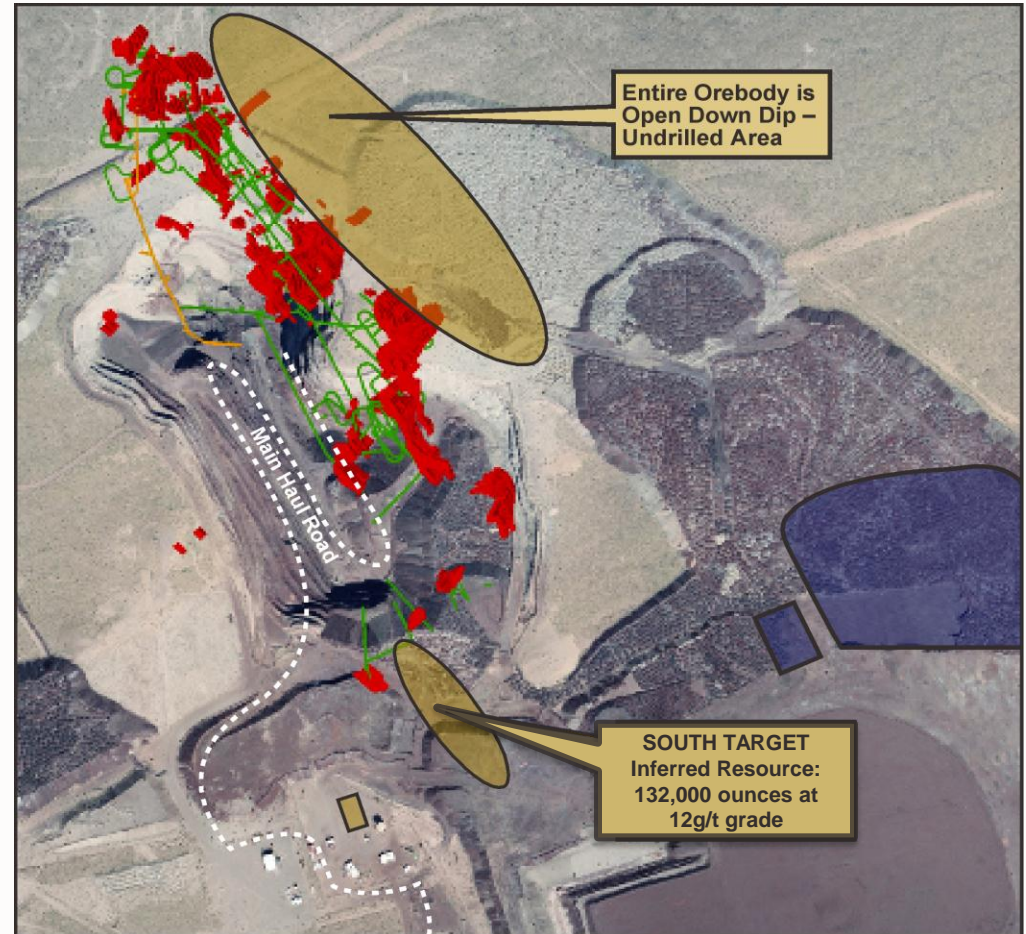
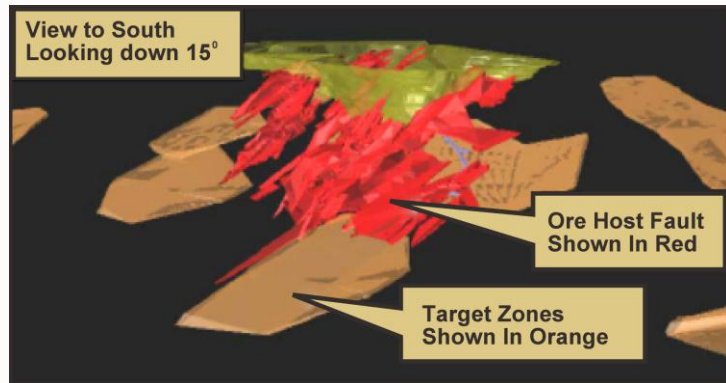


Copperstone Mine: Expansion Potential

Showing Expansion Potential within the Mine Plan and Permit Area

Excellent Near Term Potential to Expand the current Resources

Several Structural and Geophysical Exploration Targets warrant follow-up Drilling for Resource Discovery





Copperstone Mine: Expansion Potential

- Bonanza owned underground drilling rigs
- Drill campaign initial focus will be near currently active stopes where gold mineralization is open up dip and down dip – scheduled for starting at the end of mine ramp-up
- Reserves expanding due to current \$1,600 gold price – feasibility used \$962 per ounce
- Entire structure containing Reserves is open down dip where substantial potential to increase reserves is present
- South Target not included in the mine plan
 - inferred resources of 132,000 oz of gold* with average grade of +12 g/t gold contained within 335,000 tonnes (5.1 g/t cutoff)



Gold in the pan



Free gold in oxide mineralization

*(Source: 2011 Feasibility Study, prepared and filed in accordance with NI43-101) Figures in US dollars. See page 2 for important information.



American Bonanza: 2012 Acquisition Strategy

- 2012 acquisition and exploration campaign - acquisition targets similar to Copperstone:
 - Sites with substantial infrastructure – likely pre-mined sites or in production
 - Potential for rapid permitting (Copperstone permit cycle just over one year)
 - Potential for rapid construction (Copperstone construction approximately one year)
 - High margin potential: primarily result of high gold grades & favorable metallurgy
 - High grade + high quality = low capital and operating costs, and rapid development

Acquisition program to begin once the mine has achieved commercial production



Copperstone Mine: The Economics

- Gold sales (April 2012) 1,186 oz representing 40% of Year 1 monthly design rates
- Gold production average 46,000oz/year for first 3 yrs, then avg 32,000/oz year for next 3.3 yrs
- Cash production cost of \$415 per ounce
- Capex Payback 13 months using base case \$962/oz gold price – currently faster payback
- Total gold produced 213,000 ounces (feasibility does not include inferred resources)
- NPV base case is \$51m (after tax, discounted @5%) using \$962/ounce Au.
- using **\$1400/oz gold price, NPV is \$102M**
- Pre-tax Cash Flow base case is \$74m (undiscounted)
- using **\$1400/oz gold price, cash flows total \$168m** (undiscounted)
- IRR base case 96.3%, using **\$1400/oz gold price, IRR is 170.4%**



(Source: 2011 Feasibility Study, prepared and filed in accordance with NI43-101) Figures in US dollars. See page 2 for important information.



American Bonanza Corporate Info

- Trading Symbol BZA (TSX), ABGFF (OTCQX), AB2 (Frankfurt)
- Recent share price CDN \$0.31 (June 19th 2012)
- Market Cap CDN \$62MM
- 3 month average daily volume 200,000
- Shares Outstanding 200.5 mm
 - Fully Diluted: 248.9 mm
 - Options: 18 mm (Cdn \$5.9 mm proceeds)
 - Warrants: 30.4 mm (Cdn \$12.9 mm proceeds)



Mine Equipment Shop



Tailing Impoundment Sand Liner – final step



Summary

- New gold producer in 2012, ramp-up phase on-track towards design rates
- Mine management team optimising mill & mine to achieve full production by the fall
- Excellent potential to expand reserves in permitted mine area
- Exploration & acquisition strategies ready for execution at start of full production

create a highly profitable mid-tier gold producing company