

NEWS RELEASE

Bonanza

TSX Trading Symbol: BZA

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AMERICAN BONANZA ANNOUNCES \$255,000 PRIVATE PLACEMENT

June 16, 2010 - AMERICAN BONANZA GOLD CORP. (TSX: BZA) (“Bonanza”) announces that it has completed a non-brokered private placement of 1,594,500 flow through shares (“Flow Through Shares”), at a price of \$0.16 per Flow Through Share for gross proceeds of approximately \$255,000. No commission was paid on the financing.

Most of the private placement was subscribed for by Directors and Insiders on the terms set forth above and such participation was approved by the independent directors of Bonanza.

All securities issued in connection with the private placement are subject to a four month hold period expiring October 16, 2010. The proceeds from this financing will be used primarily to fund ongoing exploration at Bonanza’s projects in Quebec and Ontario.

About Bonanza

Bonanza is working to re-activate mining at the preproduction-stage Copperstone Gold Mine in Arizona. Bonanza has 119.8 million shares outstanding, and has no debt. Please visit our website at www.americanbonanza.com.

AMERICAN BONANZA GOLD CORP.

Brian Kirwin
President & Chief Executive Officer

This news release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, including the likelihood of commercial mining and possible future financings are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unsuccessful exploration results, changes in metals prices, changes in the availability of funding for mineral exploration, unanticipated changes in key management personnel and general economic conditions. Mining is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. For more information on the Company and the risks and challenges of its business, investors should review the Company's annual filing on Form 20F with the United States Securities Commission and its home jurisdiction filings that are available at www.sedar.com.

For further information call:

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