

Form 51-901F
QUARTERLY REPORT
Schedule "A"

ISSUER DETAILS:	
Name of Issuer	AMERICAN BONANZA GOLD MINING CORP.
Issuer's Address	Suite 1500-700 West Pender Street Vancouver, British Columbia, V6C 1G8
Issuer Telephone Number	(604) 699-0023
Issuer's Web Site	www.americanbonanza.com
Contact Person	Giulio T. Bonifacio
Contact's Position	Director, Executive Vice President & Chief Financial Officer
Contact Telephone Number	(604) 699-0023
Contact E-mail	gtbonifacio@boni.ca
For Quarter Ended	March 31, 2002
Date of Report	May 30, 2002
CERTIFICATE	
<i>The schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.</i>	
<i>"Brian P. Kirwin"</i>	2002/05/30
Name of Director	Date Signed
<i>"Giulio T. Bonifacio"</i>	2002/05/30
Name of Director	Date Signed

American Bonanza Gold Mining Corp.

Unaudited Consolidated Financial Statements
For the Three Months ended March 31, 2002

American Bonanza Gold Mining Corp.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2002	December 31, 2001
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	93,658	12,968
COPPERSTONE PROPERTY (Note 3)	6,000,018	4,306,537
MINERAL PROPERTIES (Note 4)	1,790,476	1,790,476
CAPITAL ASSETS, net	45,733	48,140
	7,929,885	6,158,121
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	796,514	781,827
Due to related parties	512,934	453,999
Current portion of long-term debt (Note 5)	876,810	-
	2,186,258	1,235,826
LONG-TERM DEBT (Note 5)	876,810	-
FUTURE INCOME TAXES	328,654	328,654
	3,391,722	1,564,480
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	17,742,491	17,742,491
Cumulative currency translation adjustment	43,031	43,031
Deficit	(13,247,359)	(13,191,881)
	4,538,163	4,593,641
	7,929,885	6,158,121
NATURE OF OPERATIONS (Note 1)		
SUBSEQUENT EVENT (Note 6)		

APPROVED ON BEHALF OF THE BOARD,

Signed: Brian P. Kirwin
Director

Signed: Ian W. Telfer
Director

The accompanying notes are an integral part of these consolidated financial statements.

American Bonanza Gold Mining Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

For the three months ended March 31,
(Unaudited)

	2002	2001
	\$	\$
REVENUE		
Consulting income and other	<u>8,822</u>	-
EXPENSES		
General and administrative (Note 8)	61,893	29,769
Amortization	<u>2,407</u>	-
	<u>64,300</u>	29,769
NET LOSS	(55,478)	(29,769)
DEFICIT, beginning of period	<u>(13,191,881)</u>	(12,108,259)
DEFICIT, end of period	<u>(13,247,359)</u>	(12,138,028)
LOSS PER COMMON SHARE		
Basic and diluted	<u>(0.00)</u>	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES	<u>64,735,129</u>	64,735,129

The accompanying notes are an integral part of these consolidated financial statements.

American Bonanza Gold Mining Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31,

(Unaudited)	2002	2001
	\$	\$
OPERATING ACTIVITIES		
Net loss	(55,478)	(29,769)
Items not affecting cash		
Amortization	2,407	-
	(53,071)	(29,769)
Changes in non-cash operating accounts		
Accounts receivable	-	(12,082)
Prepays	-	4,000
Accounts payable	14,687	17,465
	(38,384)	(20,386)
INVESTING ACTIVITIES		
Copperstone property	(1,693,481)	(81,658)
Other properties	-	-
	(1,693,481)	(81,658)
FINANCING ACTIVITIES		
Long-term debt	1,753,620	-
Due to related parties	58,935	38,501
	1,812,555	38,501
INCREASE (DECREASE) IN CASH	80,690	(63,543)
CASH, beginning of period	12,968	62,840
CASH, end of period	93,658	(703)

Cash flows include the following elements:

Interest paid	-	-
Income taxes paid	-	-

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that American Bonanza Gold Mining Corp. will continue in operation for at least one year and be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions and events cast substantial doubt about the Corporation's ability to continue as a "going concern". The Corporation has a working capital deficiency as at March 31, 2002, does not have a recurring revenue source and is dependent on raising additional capital to fund its operations and continue the exploration of its mineral properties, principally the Copperstone project (Note 3).

Management is pursuing various financing alternatives in order to raise the required funding necessary for general working capital, exploration and development purposes (Note 6). There is no assurance that management will be able to secure such financing.

If the Corporation were unable to continue as a "going concern", then substantial adjustments would be necessary to the carrying values of assets, the reported amounts of its liabilities, the reported revenues and expenses, and the balance sheet classifications used.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial reporting, and the accounting policies used are consistent with the most recent annual financial statements. While these financial statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and notes required by Canadian generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and notes thereto included in the Corporation's Annual Report for the year ended December 31, 2001.

3. COPPERSTONE PROPERTY

The Corporation is currently engaged in exploring and developing the Copperstone gold property in La Paz County, Arizona, U.S.A. through two joint ventures as follows:

	March 31, 2002 (Unaudited)	December 31, 2001
	\$	\$
Copperstone Project	4,175,548	2,482,067
Copperstone D-Zone	<u>1,824,470</u>	<u>1,824,470</u>
	<u>6,000,018</u>	<u>4,306,537</u>

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

3. COPPERSTONE PROPERTY (Continued)

Copperstone Project

	\$
Balance, December 31, 1997	-
Option payment	783,250
Exploration expenditures	<u>575,260</u>
Balance, December 31, 1998	1,358,510
Exploration expenditures	<u>377,396</u>
Balance, December 31, 1999	1,735,906
Exploration expenditures	<u>576,120</u>
Balance, December 31, 2000	2,312,026
Exploration expenditures	<u>170,041</u>
Balance, December 31, 2001	2,482,067
Acquisition	1,669,675
Exploration expenditures	<u>23,806</u>
Balance, March 31, 2002 (Unaudited)	<u>4,175,548</u>

In August 1998, the Corporation entered into an agreement (the "Arctic Joint Venture") with Arctic Precious Metals Inc. ("APMI"), a subsidiary of Royal Oak Mines Inc., to explore and develop the Copperstone gold property. Pursuant to the Arctic Joint Venture, the Corporation acquired a 25 percent interest in the Copperstone Project for a cash payment of US\$500,000 with an option to increase its interest in the property to 80 percent by incurring US\$4,000,000 of exploration expenditures and other payments. Additionally the Corporation has agreed to make a US\$30,000 annual advance royalty payment to the property owner.

In November 1999, the Corporation entered into a purchase and sale agreement with APMI whereby the Corporation agreed to purchase for US\$1,000,000 all of APMI's rights, title and interest in the Copperstone Project owned by APMI who was undergoing U.S. Bankruptcy Code Chapter 11 financial restructuring.

In March 2002, the Corporation acquired a further 75% interest in the Copperstone mining property from APMI, a subsidiary of Royal Oak Mines, in a transaction which was subject to a lengthy US Bankruptcy Court process. APMI has assigned its lease on the Copperstone property to the Corporation so as to bring the Corporation's interest in the Copperstone mining property from 25% to 100%, subject only to the existing lease and royalty arrangements. This acquisition was funded by a loan of US\$1,100,000 from Trilon Financial Corporation, now called Brascan Financial Corporation ("Brascan") (Note 5).

Copperstone D-Zone

	\$
Initial advance	407,382
Advance royalty payment	152,600
Exploration expenditures	<u>1,264,488</u>
	<u>1,824,470</u>

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

3. COPPERSTONE PROPERTY (Continued)

On June 18, 2000, the Corporation entered into a Letter Agreement with Centennial Development Corporation ("CDC"), the principal of which was previously a director of the Corporation, to form the Copperstone D-Zone Joint Venture ("D-Zone Joint Venture"). The D-Zone Joint Venture was formed for purposes of underground exploration and extraction of mineralized materials from the D-Zone of up to 50,000 tons of mineralized material, affecting approximately 5 percent of the resource ounces at the Copperstone Project

Pursuant to the D-Zone Joint Venture, as amended, CDC was to acquire a 50 percent interest in the D-Zone of up to 50,000 tons of mineralized materials (subsequently reduced to 40 per cent) on the basis of funding mobilization, set up and initial drifting on the D-Zone. The Corporation had an option to increase its initial interest of 50 percent to 55 percent interest on D-Zone Joint Venture for a cash payment of US\$100,000 with a further option to increase its interest in the D-Zone Joint Venture as follows:

- (a) additional 5 percent interest if the Corporation provides all funding necessary to complete Phase One as documented in the agreement; and
- (b) further 15 percent interest for a cash payment of US\$500,000.

During 2001, Phase One was completed and the Corporation earned the additional 5 percent interest in the D-Zone Joint Venture for a total interest of 60% with the remaining interest held by CDC.

On February 14, 2002 the Corporation entered into an agreement with CDC whereby the Corporation would acquire the 40 percent interest of the D-Zone Joint Venture not already owned for the following consideration:

- (a) assumption of a total of US\$325,000 of Copperstone related liabilities. These liabilities were previously recorded by the Corporation as at December 31, 2000;
- (b) assumption of an estimated CDC payroll tax liability of up to US\$180,000 that may arise. If these liabilities exceed the estimated amount, then additional amounts will be paid equally by CDC and the Corporation;
- (c) US\$345,000 payable to CDC and or its principal on or before July 31, 2002;
- (d) A net smelter royalty of three percent from the first 50,000 tons of mineralized material extracted from the D-Zone, subsequent to repayment of the Brascan Loan (Note 5); and,
- (e) US\$70,000 from initial proceeds from extraction of mineralized materials from the D-Zone, following preferential repayment of the Brascan loan.

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

4. MINERAL PROPERTIES

Other mineral properties consist of the following:

	March 31, 2002 (Unaudited)	December 31, 2000
	\$	\$
Pamlico	1,414,486	1,414,486
Gold Bar	375,990	375,990
	1,790,476	1,790,476

Through the acquisition of Bonanza Gold Inc. and its wholly-owned subsidiary, Bonanza Explorations Inc., in 2000 the Corporation owned, or controlled by option, a number of exploration projects in the State of Nevada, U.S.A. The primary projects consisted of Pamlico, Golden Arrow, Gilbert, Gold Bar and Snowstorm properties.

During 2001 the Corporation returned the Golden Arrow project to the property vendor and released the Snowstorm, Gilbert and other mineral claims recognizing a write-down of \$893,558 during 2001.

The Pamlico and Gold Bar projects currently comprise 133 patented and unpatented claims covering approximately 10 square kilometers which are prospective for gold. An annual cash filing of US\$105 per unpatented claim is required to be paid to the Bureau of Land Management and the local counties. Annual taxes on patented claims are payable to the local authorities. All required payments were made with respect to the Pamlico and Gold Bar projects during 2001; therefore, the remaining claims held are in good standing to August 2002.

Pamlico

The Pamlico property is located in Mineral County, 15 kilometres from Hawthorne, Nevada. Pamlico was subject to a cash payment of US\$25,000 due November 2001 which has been deferred until June 15, 2002. In 2002, the payment increases to US\$150,000 and in 2003, to US\$675,000. The property is subject to a 1 percent net profits interest royalty after the final cash payment. Pamlico has no associated work commitments.

Gold Bar

The Gold Bar properties are located in Eureka County, 50 kilometres northwest of Eureka, Nevada. Gold Bar is subject to a 2 percent net smelter royalty capped at US\$1,000,000 on future production.

5. LONG-TERM DEBT

In connection with the acquisition of the remaining 75% interest in the Copperstone mining property subject only to the existing lease and royalty arrangements, the Corporation received a loan of US\$1,100,000 from Trilon Financial Corporation, now called Brascan Financial Corporation ("Brascan"), fully secured against the assets of the Corporation (the "Brascan Loan") with interest accruing at the base rate for the Canadian Imperial Bank of Commerce for US dollar loans made by the Bank of Canada, and to be paid monthly.

Under the terms of the agreement with Brascan, the Brascan Loan is repayable in two equal installments of

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

5. LONG-TERM DEBT (Continued)

US\$550,000 on March 4, 2003 and March 4, 2004, and in addition the Corporation has agreed to cause all proceeds, net of reasonable commissions and legal and other expenses related to such transaction, of any issuance of securities of the Corporation in excess of the aggregate sum of US\$1,000,000 received by the Corporation at any time during which the loan is outstanding, to be immediately paid to Brascan in accordance with the following formula:

- (a) 10% of cumulative proceeds greater than US\$1,000,000 but less than US\$2,000,000;
- (b) 20% of cumulative proceeds equal to or greater than US\$2,000,000 but less than US\$4,000,000; and
- (c) 30% of cumulative proceeds equal to or greater than US\$4,000,000 but less than US\$6,000,000.

Furthermore, the Corporation has agreed to cause all proceeds (less direct mining and operating expenses and other direct costs of sale) of any sale or other disposition of gold or gold-bearing ores or concentrates from the Corporation's interest in the Copperstone Property, including all such sales and dispositions in the ordinary course of the Corporation's business, at any time during which any of the Brascan Loan remains outstanding, to be immediately paid to Brascan on account of such outstanding amounts.

The Corporation has also granted Brascan a non-transferable warrant to purchase up to 1,500,000 common shares of the Corporation at \$0.13 per share until March 4, 2004, with an option to extend the warrant for three additional one-year terms (Note 6).

The equity component of this facility pertaining to the warrant issue has not been recorded for accounting purposes as the deemed value is not considered significant.

6. SHARE CAPITAL

Authorized

The authorized share capital of the Corporation consists of 400,000,000 (2000 - 400,000,000) Class "A" common voting shares without par value, and 100,000,000 Class "B" preferred shares without par value, issuable in series.

Issued – Class A Common	Number of Common Shares	Carrying Value
		\$
Balance, December 31, 1999	29,840,129	13,390,066
Issued on the acquisition of Bonanza Gold Inc.	20,000,000	2,200,000
Issued on private placement	14,610,000	2,113,950
Issued on exercise of share options	285,000	38,475
Balance, December 31, 2000, 2001 and March 31, 2002 (Unaudited)	64,735,129	17,742,491

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

6. SHARE CAPITAL (Continued)

On May 23, 2002 the Corporation announced its intention to carry out a public offering to raise up to \$2,000,000 (Minimum \$1,500,000) through the sale of units by way of a Short Form Offering Document ("SFOD"). Under the SFOD, the Corporation, through its Agent, Canaccord Capital Corporation, proposes to offer up to 15,384,600 units at a price of \$0.13 per unit. Each unit will be comprised of one Common Share and one transferable Common Share Purchase Warrant ("Warrant"). Each Warrant will entitle the holder to acquire one additional Common Share for a period of two years at a price of \$0.15 in the first year and \$0.17 in the second year. An application will be made to The TSX Venture Exchange to list the Warrants.

Canaccord Capital Corporation as agent for this offering will be paid an agent fee of 8.5% on the aggregate gross proceeds, agent warrants equal to 15% of the number of units sold and a corporate finance fee and a corporate finance fee payable in units.

Options

As at March 31, 2002, there are 5,850,000 share options granted and outstanding to directors and employees, exercisable between \$0.10 and \$0.40 per share at varying times up until March 7, 2007. The weighted average exercise price of these options at March 31, 2002 is \$0.13 per share.

Shares held in escrow

At March 31, 2002, 12,000,000 Common Shares of the 20,000,000 Common Shares of the Corporation issued to acquire Bonanza Gold Inc. remain in escrow and are subject to further release for a period of up to 36 months from the date of TSX Venture Exchange approval received on December 21, 2000.

Warrants

The Corporation has granted share purchase warrants to acquire an aggregate of 7,512,500 Common Shares as follows:

Number of warrants	Exercise price	Expiry date
6,012,500	\$ 0.30	June 18, 2002
1,500,000	\$ 0.13	March 4, 2004 ⁽¹⁾
7,512,500		

American Bonanza Gold Mining Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002 and 2001

(Unaudited)

6. SHARE CAPITAL (Continued)

- (1) Brascan has an option (the "Option") to extend the term of its warrant or any unexercised portion thereof for three additional one year terms beyond the original two year Expiry Date of its warrant, which Option may be exercised by Brascan by giving notice in writing to the Corporation to that effect at any time during the 30 day period (the "Option Period") commencing prior to the then current Expiry Date of its warrant. If Brascan exercises the Option, the Corporation is required to deliver to Brascan a new warrant certificate, against surrender to the Corporation of the old warrant certificate, and obtain all necessary stock exchange approval relating to the new warrant. The new Brascan warrant shall be on that same terms and conditions as the current Brascan warrant; provided that (a) as required by the Exchange, the exercise price of the new warrant will be the weighted average of the closing price of the Corporation's Common Shares during the 10 day period commencing on the date that is no more than 30 days prior to the expiry date of the then current Brascan warrant, and (b) the term of the new Brascan warrant shall be one year subject to the renewal Option.

7. RELATED PARTY TRANSACTIONS

During the three month period ended March 31, 2002, directors of the Corporation accrued compensation of \$45,000 (December 31, 2001-\$121,500) to reflect management and consulting services provided to the Corporation. These directors have agreed to defer payment of these amounts until the Corporation is able raise additional capital to finance its operations.

During the three months ended March 31, 2002, various directors of the Corporation loaned a further \$13,935 to the Corporation for total loans outstanding of \$271,961 at March 31, 2002 (December 31, 2001-\$258,026). These loans are unsecured, bear no interest and will be deferred until the Corporation is able to raise additional capital to finance its operations.

8. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31,	December 31,
	2002	2001
	(Unaudited)	
	\$	\$
Management fees, consulting and salaries	22,500	9,301
Office and administration	7,551	13,415
Professional fees	29,864	5,051
Shareholder information and transfer agent	1,978	2,002
	61,893	29,769

Form 51-901F
QUARTERLY REPORT
Schedules “B & C”

ISSUER DETAILS:	
Name of Issuer	AMERICAN BONANZA GOLD MINING CORP.
Issuer’s Address	Suite 1500-700 West Pender Street Vancouver, British Columbia, V6C 1G8
Issuer Telephone Number	(604) 699-0023
Issuer’s Web Site	www.americanbonanza.com
Contact Person	Giulio T. Bonifacio
Contact’s Position	Director, Executive Vice President & Chief Financial Officer
Contact Telephone Number	(604) 699-0023
Contact E-mail	gtbonifacio@boni.ca
For Quarter Ended	March 31, 2002
Date of Report	May 30, 2002
<i>CERTIFICATE</i> <i>The schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.</i>	
<i>“Brian P. Kirwin”</i>	2002/05/30
Name of Director	Date Signed
<i>“Giulio T. Bonifacio”</i>	2002/05/30
Name of Director	Date Signed

AMERICAN BONANZA GOLD MINING CORP.

1. ANALYSIS OF EXPENSES AND DEFERRED COSTS

Summary of exploration expenditures on active properties:

	Copperstone Project	Copperstone D-Zone	Nevada Projects	Total
Balance, December 31, 2001	\$2,482,067	\$1,824,470	\$1,790,476	\$6,097,013
Additions during the period				
Option payments	-	-	-	-
Site maintenance & camp	23,806	-	-	23,806
Other	-	-	-	-
Acquisition of additional interest	1,669,675	-	-	1,669,675
Expenditures of the period	1,693,481	-	-	1,693,481
Balance, March 31, 2002	\$4,175,548	\$1,824,470	\$1,790,476	\$7,790,494

2. RELATED PARTY TRANSACTIONS

(a) During the three months ended March 31, 2002, directors of the Corporation accrued compensation of \$45,000 (December 31, 2001-\$121,500) to reflect management and consulting services provided to the Corporation. These directors have agreed to defer payment of these amounts until the Corporation is able to raise additional capital to finance its operations.

(b) During the three months ended March 31, 2002, various directors of the Corporation loaned a further \$13,935 to the Corporation for total loans outstanding of \$271,961 at March 31, 2002 (December 31, 2001-\$258,026). These loans are unsecured, bear no interest and will be deferred until the Corporation is able to raise additional capital to finance its operations.

3. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE QUARTER

(a) Securities Issued During the Quarter: Nil

(b) Incentive Stock Option Granted During the Quarter: 2,810,0001

4. SUMMARY OF SECURITIES AS AT END OF REPORTING PERIOD

(a) Authorized Capital

400,000,000 Class "A" common voting shares without par value
 100,000,000 Class "B" preferred shares without par value

(b) Number and Recorded Value for Shares Issued and Outstanding

64,735,129 common shares at a recorded value of \$17,742,491.

(c) Outstanding Options

Number of Options	Option Exercise Price	Option Expiry Date
40,000	\$0.40	July 4, 2002
490,000	\$0.20	January 11, 2005
360,000	\$0.15	September 11, 2005
2,150,000	\$0.15	December 22, 2005
2,810,000	\$0.10	March 7, 2007
5,850,000		

(d) Outstanding Warrants

Number of Warrants	Exercise Price of Warrants	Expiry Date of Warrants
6,012,500	\$0.30	June 18, 2002
1,500,000	\$0.13	March 4, 2004 ⁽¹⁾
7,512,500		

(1) Brascan Financial Corporation has an option (the "Option") to extend the term of its warrant or any unexercised portion thereof for three additional one year terms beyond the original two year Expiry Date of its warrant, which Option may be exercised by Brascan by giving notice in writing to the Corporation to that effect at any time during the 30 day period (the "Option Period") commencing prior to the then current Expiry Date of its warrant. If Brascan exercises the Option, the Corporation is required to deliver to Brascan a new warrant certificate, against surrender to the Corporation of the old warrant certificate, and obtain all necessary stock exchange approval relating to the new warrant. The new Brascan warrant shall be on that same terms and conditions as the current Brascan warrant; provided that (a) as required by the Exchange, the exercise price of the new warrant will be the weighted average of the closing price of the Corporation's Common Shares during the 10 day period commencing on the date that is no more than 30 days prior to the expiry date of the then current Brascan warrant, and (b) the term of the new Brascan warrant shall be one year subject to the renewal Option.

(e) Shares in Escrow or Pooling Agreements

12,000,000 shares are in escrow to be released under the TSX Venture Exchange Tier 2 Policy over a 36 month period.

5. LIST OF DIRECTORS AND OFFICERS

Brian P. Kirwin, Director, President & CEO
Reno, Nevada

Ronald K. Netolitzky, Director
Calgary, Alberta

Ian W. Telfer, Director
West Vancouver, British Columbia

David C. Beling, Director
Safford, Arizona

Giulio T. Bonifacio, Director, Executive Vice
President & Chief Financial Officer
Vancouver, British Columbia

AMERICAN BONANZA GOLD MINING CORP.

1. DESCRIPTION OF BUSINESS

American Bonanza Gold Mining Corp. (the "Corporation") and its subsidiaries are engaged in the exploration and development of gold properties in the States of Arizona and Nevada.

The management of the Corporation has implemented a strategy that will allow it to generate working capital for the Corporation by the extraction of high grade mineralized materials from the Copperstone D-Zone of up to 50,000 tons. The high grade mineralized material from the bulk sample would be milled under a contract mine arrangement. The Corporation is currently exploring proposals to fund this program.

The Corporation's head office is located in Vancouver, BC, Canada. Exploration headquarters are located in Reno, Nevada, United States. The Corporation's common shares trade on the TSX Venture Exchange under the symbol "BZA".

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

General Discussion

For the three months ended March 31, 2002, the Corporation had a net loss of \$55,478 compared with a net loss of \$29,769 for comparable period. General and administrative expenditures increased from \$29,769 to \$61,893 in the three months ended March 31, 2002 and included \$ 45,000 of amounts accrued to directors and officers. The increase in general and administrative expenditures in the period was the direct result of increased activity by the Corporation during the period.

In the period the Corporation also recorded \$8,822 in consulting income.

As at March 31, 2002 the Corporation had a working capital deficit of \$1,215,790. Reference is made to the discussion under "Liquidity and Solvency".

(a) Deferred costs

See Schedule A and Schedule B for this quarterly report for a summary of activity during the period.

(b) Acquisition or abandonment of resources properties:

During the period the Corporation acquired an additional 75% interest in the Copperstone project more fully described in Note 3 to the of the Corporation's Consolidated Financial Statement for the three months ended March 31, 2002

(c) Acquisition or disposition of other capital assets: Nil

(d) Material write-off or write-down of assets: Nil

(e) Transactions with related parties:

Details of material contracts are described in the Section entitled Material Contracts and Commitments.

During the three month period ended March 31, 2002, the following directors or officers provided services to the Corporation as follows:

-- Consulting fees of \$22,500 to Brian P. Kirwin for executive, management and technical services for the three months ended March 31, 2002. Mr. Kirwin has agreed to defer this amount until the Corporation can raise additional capital to finance its operations; and,

S Consulting fees of \$22,500 to Giulio Bonifacio for executive and management services for the three months ended March 31, 2002. Mr. Bonifacio has agreed to defer this amount until the Corporation can raise additional capital to finance its operations.

(f) Material contracts and commitments:

The Corporation currently has only no material contracts or commitments.

(g) Material variances: Nil

(h) Investor relations arrangements:

The Corporation does not have any investor relations contracts. The Directors and Officers of the Corporation are available to answer shareholder inquiries as required.

(i) Legal proceedings: Nil

(j) Contingent liabilities: Nil

(k) Default under debt or other contractual obligations: Nil

(l) Breach of laws: Nil

(m) Regulatory approval requirements: Nil

(n) Management changes: None

(o) Special resolutions passed by shareholders: Nil

3. SUBSEQUENT EVENT

Reference is made to Note 6 of the Corporation's Consolidated Financial Statement for the three months ended March 31, 2002 concerning a proposed public offering to raise of up to \$2,000,000 through the sale of units by way of a Short Form Offering Document announced on May 23, 2002.

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

The Corporation did not conduct any financings during the period ended March 31, 2002 however reference is made to Note 6 of the Corporation's Consolidated Financial Statements for the three months ended March 31, 2002 concerning a proposed public offering to raise of up to \$2,000,000 through the sale of units by way of a Short Form Offering Document.

5. LIQUIDITY AND SOLVENCY

As at March 31, 2002 the Corporation had a working capital deficit of \$1,215,790 which does not include an amount payable to Brascan Financial Corporation on March 4, 2003 totaling \$876,810. The payable to Brascan Financial Corporation resulted from the Corporation's March 2002 Copperstone acquisition more fully described in the Corporation's Consolidated Financial Statements for the three months ended March 31, 2002.

Included in the working capital deficit described above an amount of \$466,038 is payable to directors, officers or companies controlled by directors of the Corporation and will be deferred until the Corporation can raise additional capital to finance its operations.

The Issuer has no internal source of funding. The Issuer primarily depends on its ability to raise equity funds to continue its activities, however other alternatives means of financing are being explored due to the difficulty in raising funds through the sale of equities over the past number of years.