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	June 30, 2002
Date of Report	August 29, 2002
CERTIFICATE *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.*	
"Brian P.Kirwin"	2002/08/29
Name of Director	**Date Signed**
"Giulio T. Bonifacio"	2002/08/29
Name of Director	**Date Signed**

American Bonanza Gold Mining Corp.

Unaudited Consolidated Financial Statements
For the Six Months ended June 30, 2002

American Bonanza Gold Mining Corp.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2002	December 31, 2001
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**1,630,103**	12,968
Accounts receivable	**15,766**	-
	1,645,869	12,968
COPPERSTONE PROPERTY (Note 3)	**6,055,644**	4,306,537
MINERAL PROPERTIES (Note 4)	**1,790,476**	1,790,476
CAPITAL ASSETS, net	**43,330**	48,140
	9,535,319	6,158,121
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**778,600**	781,827
Due to related parties	**538,833**	453,999
Current portion of long-term debt (Note 5)	**833,910**	-
	2,151,343	1,235,826
LONG-TERM DEBT (Note 5)	**833,910**	-
FUTURE INCOME TAXES	**328,654**	328,654
	3,313,907	1,564,480
SHAREHOLDERS' EQUITY		
Share capital and share purchase warrants (Note 6)	**19,492,871**	17,742,491
Cumulative currency translation adjustment	**43,031**	43,031
Deficit	**(13,314,490)**	(13,191,881)
	6,221,412	4,593,641
	9,535,319	6,158,121

NATURE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Notes 3, 4 and 5)

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 six months ended June 30,
(Unaudited)

	2002	2001
	$	$
REVENUE		
Consulting income and other	**8,822**	-
EXPENSES		
General and administrative (Note 8)	**141,253**	74,392
Exploration	**43,606**	-
Interest	**22,220**	-
Amortization	**4,810**	-
Translation and foreign exchange gain	**(80,458)**	-
Write-off of mineral properties	**-**	328,122
	131,431	402,514
NET LOSS	**(122,609)**	(402,514)
DEFICIT, beginning of period	**(13,191,881)**	(12,108,259)
DEFICIT, end of period	**(13,314,490)**	(12,510,773)
LOSS PER COMMON SHARE		
Basic and diluted	**(0.00)**	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES	**66,568,370**	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 six months ended June 30,

(Unaudited)	**2002**	2001
	$	$
OPERATING ACTIVITIES		
Net loss	**(122,609)**	(402,514)
Items not affecting cash		
Amortization	**4,810**	-
Write-off of mineral properties	**-**	328,122
	(117,799)	(74,392)
Changes in non-cash operating accounts		
Accounts receivable	**(15,766)**	(2,663)
Prepaids	**-**	12,485
Accounts payable	**(3,227)**	17,465
	(136,792)	(47,105)
INVESTING ACTIVITIES		
Copperstone property	**(1,749,107)**	(164,997)
Other properties	**-**	(21,095)
	(1,749,107)	(186,092)
FINANCING ACTIVITIES		
Issue of common shares, net of issue costs	**1,750,380**	-
Long-term debt	**1,667,820**	-
Due to related parties	**84,834**	179,667
	3,503,034	179,667
INCREASE (DECREASE) IN CASH	**1,617,135**	(53,530)
CASH, beginning of period	**12,968**	62,840
CASH, end of period	**1,630,103**	9,310
Cash flows include the following elements:		
Interest paid	**22,220**	-
Income taxes paid	**-**	-

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 and be able to realize its assets and discharge its liabilities in the normal course of operations.

The Corporation has a working capital deficiency as at June 30, 2002, does not have a recurring revenue source and is dependent on raising additional capital to fund its operations and continue the exploration and development of its mineral properties, principally the Copperstone project (Note 3).

The Corporation is pursuing various financing alternatives in order to raise the additional capital necessary for general working capital, exploration and development purposes. There is no assurance that the Corporation 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 published 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. as follows:

	June 30, 2002 (Unaudited)	December 31, 2001
	$	$
Copperstone Project	**4,183,954**	2,482,067
Copperstone D-Zone	**1,871,690**	1,824,470
	6,055,644	4,306,537

3. COPPERSTONE PROPERTY (Continued)

Copperstone Project

	$
Balance, December 31, 1997	-
Option payment	783,250
Exploration expenditures	575,260
Balance, December 31, 1998	1,358,510
Exploration expenditures	377,396
Balance, December 31, 1999	1,735,906
Exploration expenditures	576,120
Balance, December 31, 2000	2,312,026
Exploration expenditures	170,041
Balance, December 31, 2001	2,482,067
Acquisition	1,612,511
Exploration expenditures	89,376
Balance, June 30, 2002 (Unaudited)	**4,183,954**

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	199,820
Exploration expenditures	1,264,488
	1,871,690

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.

Subsequent to June 30, 2002, the Corporation paid US$345,000 on July 26, 2002 to CDC in accordance with the above agreement.

4. MINERAL PROPERTIES

Other mineral properties consist of the following:

	June 30, 2002 (Unaudited)	December 31, 2000
	$	$
Pamilco	**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 Pamilco 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 2001which has been deferred and paid on July 12, 2002. In 2002, the November 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.

Subsequent to June 30, 2002, the Corporation entered into a Letter of Intent on July 11, 2002, as amended by a subsequent letter dated July 25, 2002, (collectively, the “Letter of Intent”) with Mask Resources Inc. (“Mask”). Under the terms of the Letter of Intent, the parties have agreed to enter into a formal agreement (the “Option Agreement”) subject to regulatory approval. Under the terms of the Option Agreement, Mask will be granted an option to earn a 50% interest in both the Pamilco and Gold Bar properties for the following consideration:

(a) Cash payments of $100,000 due prior to September 11, 2002. The term of the agreement may be extended for a maximum of two thirty-day increments, upon the payment of $7,500 for each thirty-day period. Thereafter, the Letter of Intent and terms thereof shall terminate; and,

(b) Issuing 800,000 common shares of Mask and funding exploration expenditure totaling $3,600,000 over a three-year period.

4. MINERAL PROPERTIES (Continued)

The Corporation has retained a back-in right to increase its interest in the Properties from 50% to 70% at any time within sixty days of the third anniversary date of the Option Agreement by reimbursing Mask for 200% of its cumulative exploration expenditures or $7,200,000.

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 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.

As a result of the Corporation's public offering completed on June 10, 2002(note 6) the Corporation paid Brascan US$12,800 on July 2, 2002 as a partial principal repayment of the loan outstanding.

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**	**Amount**
		$
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 and 2001	**64,735,129**	**17,742,491**
Issued on public offering	15,784,600	1,747,380
Issued on exercise of share purchase warrants	20,000	3,000
Balance, June 30, 2002 (unaudited)	**80,539,729**	**19,492,871**

On June 10, 2002 the Corporation completed a public offering of 15,384,600 units at a price of $0.13 per unit. Each unit is comprised of one Common Share and one transferable Common Share Purchase Warrant (“Warrant”). Each Warrant entitles 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. The Warrants were listed for trading on The TSX Venture Exchange on June 11, 2002.

Canaccord Capital Corporation as agent for this offering was paid an agent fee of 8.5% on the aggregate gross proceeds, agent warrants totaling 2,307,690 representing 15% of the number of units sold and a corporate finance fee payable through the issuance of 400,000 units.

Options

As at June 30, 2002, there are 5,700,000 share options granted and outstanding to directors and employees, exercisable between $0.10 and $0.40 per share at varying times up until March 4, 2007. The weighted average exercise price of these options at June 30, 2002 is $0.13 per share.

Shares held in escrow

At June 30, 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.

6. SHARE CAPITAL (Continued)

Warrants

The Corporation has granted share purchase warrants to acquire an aggregate of 25,584,790 Common Shares as follows:

Number of warrants	Exercise price	Expiry date
18,072,290	$ 0.15 to $0.17	June 10, 2003 to June 10, 2004
1,500,000	$ 0.13	March 4, 2004 (1)
6,012,500	$ 0.30	September 18, 2002
25,584,790		

(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 six month period ended June 30, 2002, directors of the Corporation accrued compensation of $71,000 (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 further operations.

During the six months ended June 30, 2002, various directors of the Corporation loaned a further $13,834 to the Corporation for total loans outstanding of $271,860 at June 30, 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 further operations.

Professional fees of $54,288 were accrued to a director of the Corporation for services provided in the year ended December 31, 2000.

Administration fees of $20,185 were accrued to a former officer for services provided to the Corporation in the year ended December 31, 2000.

8. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2002 (Unaudited)	June 30, 2001
	$	$
Management fees, consulting and salaries	**84,520**	24,933
Office and administration	**15,050**	24,481
Professional fees	**24,646**	6,050
Public company expenses	**17,037**	18,928
	141,253	74,392

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	June 30, 2002
Date of Report	August 29, 2002
CERTIFICATE *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.*	
“Brian P. Kirwin”	2002/08/29
Name of Director	**Date Signed**
“Giulio T. Bonifacio”	2002/08/29
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				
Land payments	-	-	-	-
Site maintenance & camp	89,376	-	-	89,376
Other	-	47,220	-	47,220
Acquisition of additional interest	1,612,511	-	-	1,612,511
Expenditures of the period	1,701,887	47,220	-	1,749,107
Balance, June 30, 2002	**$4,183,954**	**$1,871,690**	**$1,790,476**	**$7,846,120**

2. RELATED PARTY TRANSACTIONS

(a) During the six months ended June 30, 2002, directors of the Corporation accrued compensation of $71,000 (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 six months ended June 30, 2002, various directors of the Corporation loaned a further $13,834 to the Corporation for total loans outstanding of $271,860 at June 30, 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.

(c) Professional fees of $54,288 were accrued to a director of the Corporation for services provided in the year ended December 31, 2000.

(d) Administration fees of $ 20,185 were accrued to a former officer for services provided to the Corporation in the year ended December 31, 2000.

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

(a) Securities Issued During the Quarter:

On June 10, 2002 the Corporation completed a public offering of 15,384,600 units at a price of $0.13 per unit. Each unit was comprised of one Common Share and one transferable Common Share Purchase Warrant (“Warrant”). Each Warrant entitles 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. The Warrants were listed for trading on The TSX Venture Exchange on June 11, 2002.

Canaccord Capital Corporation as agent for this offering was paid an agent fee of 8.5% on the aggregate gross proceeds, agent warrants totaling 2,307,690 representing 15% of the number of units sold and a corporate finance fee payable through the issuance of 400,000 units.

(b) Incentive Stock Option Granted During the Quarter**:** Nil

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

80,539,729 common shares at a recorded value of $19,492,871.

(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
2,050,000	$0.15	December 22, 2005
2,760,000	$0.10	March 7, 2007
5,700,000		

(d) Outstanding Warrants

Number of Warrants	Exercise Price of Warrants	Expiry Date of Warrants
1,500,000	$0.13	March 4, 2004 (1)
6,012,500	$0.30	September 18, 2002
18,072,290	$0.15 to $0.17	June 10, 2003 to June 10, 2004
25,584,790		

(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

As at June 30,2002, 12,000,000 Common Shares of the 20,000,000 Common Shares 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.

5. LIST OF DIRECTORS AND OFFICERS

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

David C.Beling, Director
Safford, Arizona

Ian W. Telfer, Director
West Vancouver, British Columbia

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

Mr. Ronald K. Netolitzky resigned as a director of the Corporation on July 9, 2002. The directors and officers would like to acknowledge Mr. Netolitzky's dedication and guidance to the Corporation over the last several years. Mr. Netolitzky has made very significant contribution towards the growth of the Corporation.

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 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". Additionally the Corporation's common share purchase warrants trade on the TSX Venture Exchange under the symbol "BZA.WT"

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

General Discussion

For the six months ended June 30, 2002, the Corporation had a net loss of $122,609 compared with a net loss of $402,514 for comparable period. General and administrative expenditures increased from $74,392 to $141,253 and included $ 71,000 of amounts accrued to directors and officers for management services and $41,683 for legal and public company related expenditures. 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 June 30, 2002 the Corporation had a working capital deficit of $505,474. 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 Corporation's Consolidated Financial Statement for the six months ended June 30, 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 six month period ended June 30, 2002, the directors or officers accrued compensation of $71,000 to reflect management and consulting services provide to the Corporation. These directors have agreed to defer this amount until the Corporation is able to raise additional capital to finance its operations.

(f) Material contracts and commitments:

The Corporation currently has no material contracts or commitments other than described in the Corporation's Consolidated Financial Statements for the six month period ending June 30, 2002.

(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 EVENTS

Reference is made to Notes 3, 4 and 5 of the Corporation's Consolidated Financial Statements for the six moths ended June 30, 2002 concerning the purchase of a 40% interest int Copperstone D-Zone joint venture; the proposed joint venture with Mask Resources Inc. on the Pamlico and Gold Bar properties and the partial repayment of principal of the loan outstanding with Brascan Financial Corporation.

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

As more fully described in Note 6 to the Corporation's Consolidated Financial Statements for the six months ended June 30, 2002 the Corporation completed a public offering of 15,384,600 units at a price of $0.13 per

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES (Continued)

unit. Each unite is comprised of one Common Share and one transferable Common Share Purchase Warrant.

In the period the Corporation successfully acquired a further 75% interest in the Copperstone project as more fully described in Note 3 to the Corporation's Consolidated Financial Statements for the six months ended June 30, 2002.

5. LIQUIDITY AND SOLVENCY

As at June 30, 2002 the Corporation had a working capital deficit of \$505,474 which included an amount payable to Brascan Financial Corporation on March 4, 2003 totaling \$833,910. The payable to Brascan Financial Corporation resulted from the Corporation's March 2002 acquisition of a further 75% interest in Copperstone.

Also Included in the working capital deficit described above is an amount of \$518,648 payable to directors, officers or companies controlled by directors of the Corporation that will be deferred until the Corporation can raise additional capital.

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 rasing funds through the sale of equities over the past number of years.