AMERICAN BONANZA

2001 ANNUAL REPORT

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Message to Shareholders

The year 2001 was a difficult year for the Company, due primarily to a weak market for gold and gold stocks. Throughout the year gold prices remained low. During early 2002 however, gold prices have begun to return to higher levels, reflecting among other things global uncertainty, the rapid decay of the New Economy, smaller supply resulting from reduced investment in exploration and development by the mining industry, and greater demand due to short covering. It is in this recovering gold market that your Company is moving forward with its exploration and development plans.

During 2001 Bonanza continued to make progress toward its goal of becoming a highly profitable gold producer. Toward this end, the acquisition of 100% of the Copperstone Project is complete. The Company acquired the remaining 75% interest of the project not already owned from Arctic Precious Metals Inc., a subsidiary of Royal Oak Mines Inc. through the lengthy US Bankruptcy Court process concerning the bankruptcy of Royal Oak Mines, Inc. that commenced in 1999. The bankruptcy proceedings were completed during March 2002. Closing of this acquisition paves the way for the Company to proceed with exploration and development of the Copperstone Project. This consolidation of ownership is a significant milestone in the continued exploration and development of the Copperstone Project.

The Copperstone gold property in Arizona has an undeveloped resource available to mining estimated in an independent Scoping Study by MRDI of 827,000 tons at a diluted grade of 0.56 ounces of gold per ton for about 460,000 ounces of high grade gold, as previously reported. The same study estimates the geologic resource in the C and D Zones to contain 708,000 ounces of gold using capped gold grades (0.34 ounces per ton average grade) or 1,209,000 ounces of gold using uncapped gold grades (0.58 ounces per ton average grade). The objective of the Company is to expand, explore and develop this resource and place a significant high grade underground gold mining operation into production. While development plans during 2001 were delayed due to difficulty accessing capital, the Company continues to work toward unlocking the value of high grade gold zones on all of its projects. Copperstone is an excellent project to realize this objective.

Exploration upside at the Company's Nevada properties remains excellent, and Management plans to drill test the extent of its discovery at the Pamlico Property during 2002 while advancing Copperstone and the Gold Bar Property in Nevada. During 2001 the Company's obligations to earn 100% of the Gold Bar Property were completed, and the closing of the acquisition is expected soon.

My thanks go out to all the Directors of the Company; without their support the continued progress of the Company during 2001 would not have been possible. Their personal and financial support was essential to the Company during the year.

On behalf of the Board of Directors,

signed: Brian P. Kirwin
President & Chief Executive Officer
May 9, 2002

FORM 51-901F
ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2001
INCORPORATED AS PART OF: SCHEDULE A, B AND C

<table>
<tr><td colspan="2">ISSUER DETAILS:</td></tr>
<tr><td>Name of Issuer</td><td>AMERICAN BONANZA GOLD MINING CORP</td></tr>
<tr><td>Issuer’s Address</td><td>Suite 1500-700 West Pender Street
Vancouver, British Columbia, V6C 1G8</td></tr>
<tr><td>Issuer Telephone Number</td><td>(604) 699-0023</td></tr>
<tr><td>Issuer’s Web Site</td><td>www.americanbonanza.com</td></tr>
<tr><td>Contact Person</td><td>Giulio T. Bonifacio</td></tr>
<tr><td>Contact’s Position</td><td>Director & Vice President & Chief Financial Officer</td></tr>
<tr><td>Contact Telephone Number</td><td>(604) 699-0023</td></tr>
<tr><td>Contact E-mail</td><td>gbonifacio@boni.ca</td></tr>
<tr><td>For Quarter Ended</td><td>December 31, 2001 (Annual Report)</td></tr>
<tr><td>Date of Report</td><td>May 16, 2002</td></tr>
<tr><td colspan="2">CERTIFICATE
The three 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. Please note this form is incorporated as part of both the required filing of Schedule B and C.</td></tr>
<tr><td>“Brian P. Kirwin”</td><td>2002/05/16</td></tr>
<tr><td>Name of Director</td><td>Date Signed</td></tr>
<tr><td>“Giulio T. Bonifacio”</td><td>2002/05/16</td></tr>
<tr><td>Name of Director</td><td>Date Signed</td></tr>
</table>

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The information and representations in this Annual Report have been prepared by management. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada and, where appropriate, reflect management's best estimates and judgments. The financial information presented throughout this report is consistent with the data presented in the financial statements.

Systems of internal accounting controls are maintained in order to assure, on a reasonable basis, the reliability of this financial information. Our independent auditor, whose report on their audit of the consolidated financial statements appears in this Annual Report , also review our systems of internal accounting controls in accordance with generally accepted auditing standards for the purpose of expressing their opinion on the consolidated financial statements.

The Board of Directors carries out its responsibilities for the financial statements principally through its Audit Committee. The Audit Committee meets periodically with management and the auditor to review the financial statements and the results of examinations.

This Annual Report has been reviewed and approved by the Board of Directors.

signed: Brian P. Kirwin
President and Chief Executive Officer
May 14, 2002

signed: Giulio T. Bonifacio
Vice President, Chief Financial Officer
May 14, 2002

Tony M. Ricci Inc.

Chartered Accountant

Suite 1304
925 West Georgia St.
Vancouver, B.C.
V6C 3L2
Tel: (604) 669-3013
Fax: (604) 669-3015

AUDITOR'S REPORT

To the Shareholders of **AMERICAN BONANZA GOLD MINING CORP.** (formerly Asia Minerals Corp.):

I have audited the consolidated balance sheet of **American Bonanza Gold Mining Corp.** (formerly Asia Minerals Corp.) as at December 31, 2001 and the consolidated statement of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), I report that, in my opinion, these principles have been applied on a consistent basis.

The comparative figures for 2000 were audited in accordance with Canadian generally accepted auditing standards and reported on by other auditors who expressed an opinion without reservation on those financial statements in their report dated April 4, 2001.

"Tony M. Ricci Inc."

CHARTERED ACCOUNTANT

Vancouver, British Columbia
April 20, 2002

American Bonanza Gold Mining Corp.
(formerly Asia Minerals Corp.)

CONSOLIDATED BALANCE SHEETS
December 31

	2001	2000
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**12,968**	62,840
Accounts receivable	**-**	8,470
Prepaid expenses	**-**	12,485
	12,968	83,795
COPPERSTONE PROPERTY (Note 4)	**4,306,537**	4,102,481
MINERAL PROPERTIES (Note 5)	**1,790,476**	2,579,723
CAPITAL ASSETS, net	**48,140**	56,628
	6,158,121	6,822,627
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**781,827**	834,052
Due to related parties (Note 8)	**453,999**	51,720
	1,235,826	885,772
FUTURE INCOME TAXES (Note 10)	**328,654**	328,654
	1,564,480	1,214,426
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**17,742,491**	17,742,491
Cumulative currency translation adjustment	**43,031**	(26,031)
Deficit	**(13,191,881)**	(12,108,259)
	4,593,641	5,608,201
	6,158,121	6,822,627

NATURE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 4, 6 and 7)

APPROVED ON BEHALF OF THE BOARD,

Signed: Brian P. Kirwin
Director

Signed: Ian W. Telfer
Director

American Bonanza Gold Mining Corp.

(formerly Asia Minerals Corp.)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

For the years ended December 31	**2001**	2000
	$	$
REVENUE		
Interest	**-**	4,844
Consulting income and other	**180,687**	-
	180,687	4,844
EXPENSES (INCOME)		
General and administrative (Note 9)	**305,503**	373,037
Write-off of mineral properties	**893,558**	-
Foreign exchange	**53,546**	-
Amortization	**11,702**	-
Gain on disposal of capital assets	**-**	(5,678)
	1,264,309	367,359
NET LOSS	**(1,083,622)**	(362,515)
DEFICIT, beginning of year	**(12,108,259)**	(11,745,744)
DEFICIT, end of year	**(13,191,881)**	(12,108,259)
LOSS PER COMMON SHARE		
Basic and diluted	**(0.02)**	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES	**64,735,129**	36,760,251

American Bonanza Gold Mining Corp.
(formerly Asia Minerals Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31

	2001	2000
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,083,622)**	(362,515)
Items not affecting cash		
Amortization	**11,702**	-
Cumulative currency translation adjustment	**69,062**	
Write-off of mineral properties	**893,558**	-
Gain on disposal of capital assets	**-**	(5,678)
	(109,300)	(368,193)
Changes in non-cash operating accounts		
Accounts receivable	**8,470**	16
Prepaids	**12,485**	5,353
Accounts payable	**(52,225)**	694,407
	(140,570)	331,583
INVESTING ACTIVITIES		
Copperstone property	**(204,056)**	(2,366,575)
Acquisition of Bonanza Gold Inc. (Note 3)	**-**	(117,067)
Proceeds on disposal of capital assets	**-**	8,320
Acquisition of capital assets	**(3,214)**	-
Other properties	**(104,311)**	-
	(311,581)	(2,475,322)
FINANCING ACTIVITIES		
Issuance of shares	**-**	2,152,425
Due to related parties	**402,279**	1,720
	402,279	2,154,145
INCREASE (DECREASE) IN CASH	**(49,872)**	10,406
CASH, beginning of year	**62,840**	52,434
CASH, end of year	**12,968**	62,840

Cash flows include the following elements:

Interest paid	**-**	-
Income taxes paid	**-**	-

See Note 3 for non-cash investing activity on acquisition of Bonanza Gold Inc.

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. (formerly Asia Minerals 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 December 31, 2001, 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 (see Note 4).

Management is pursuing various financing alternatives in order to raise the required funding necessary for general working capital, exploration and development purposes. 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. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, Bonanza Gold Inc. (a Canada corporation), which in turn has a wholly-owned subsidiary, Bonanza Explorations Inc. (a U.S., Nevada corporation).

All significant intercompany transactions have been eliminated.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred mineral costs

Costs related to mineral activities, which include the investigation, exploration, and development of mining properties, are capitalized on a property-by-property basis until such time as the Corporation determines that economically recoverable reserves are established or the property is evaluated as non-productive or uneconomical. In those cases where exploration activities are conducted jointly with others, only the Corporation's proportionate interest in the related mineral projects is included in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred mineral costs (Continued)

Costs relating to non-productive or uneconomical properties are charged to earnings. The recovery of the carrying amount of deferred mineral costs is dependent upon the future commercial success of related properties or the proceeds of disposition. The amounts shown for deferred mineral costs do not necessarily reflect present or future values.

Income taxes

The Corporation accounts for income taxes under the liability method. Under this method, temporary differences arising from the difference between the tax basis of an asset and a liability and its carrying amount on the balance sheet are used to calculate future income tax assets or liabilities. Future income tax assets or liabilities are calculated using tax rates anticipated to be in effect in the periods that the temporary differences are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs.

Loss per share

Basic loss per share is calculated by dividing net loss available to the shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated to reflect the dilutive effect of exercising outstanding stock options and warrants by application of the treasury stock method.

Foreign currency translation

Transactions undertaken in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into Canadian dollars at the exchange rate prevailing at the balance sheet date. Currency gains and losses are included in the results of operations in the year in which they occur.

The operations of the Corporation's self-sustaining foreign subsidiary are translated to Canadian dollars using the current rate method. Assets and liabilities are translated to Canadian dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense items are translated to Canadian dollars at the average exchange rate for the period. Exchange gains and losses arising from the translation of the financial statements are deferred and included as cumulative currency translation adjustment in shareholders' equity.

Financial instruments

The carrying amounts of financial instruments, which include accounts receivable, accounts payable, and due to related party, approximate fair values.

Capital assets

Capital assets, consisting of office and computer equipment, are recorded at cost and are amortized on a straight-line basis over five years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share issuance costs

Costs incurred in connection with share issuances are accounted for as a reduction in share capital.

Comparative figures

Prior year figures have been reclassified where applicable to conform with the presentation adopted in the current year.

3. ACQUISITION

On December 21, 2000, the Corporation acquired 100 percent of the issued and outstanding shares of Bonanza Gold Inc. and its wholly-owned subsidiary, Bonanza Explorations Inc. The total purchase price was $2,317,067, including $117,067 of acquisition related costs. The acquisition was accounted for by the purchase method and these consolidated financial statements include the results of operations of Bonanza Gold Inc. and Bonanza Explorations Inc. from the date of acquisition.

The net assets acquired at their fair values were as follows:

	$
Net assets acquired	
Mineral properties	2,605,089
Capital assets	57,572
Accounts payable	(16,940)
Future income taxes	(328,654)
Total purchase price	2,317,067
Consideration	
Cash	117,067
Common shares- 20,000,000	2,200,000
	2,317,067

4. 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:

	2001	2000
	$	$
Copperstone Project	**2,482,067**	2,312,026
Copperstone D-Zone	**1,824,470**	1,790,455
	4,306,537	4,102,481

4. 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**

In August 1998, the Corporation entered into an agreement (the "Arctic Joint Venture") with Arctic Precious Metals Inc. ("Arctic"), 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 Arctic whereby the Corporation agreed to purchase for US$1,000,000 all of Arctic's rights, title and interest in the Copperstone Project owned by Arctic who was undergoing U.S. Bankruptcy Code Chapter 11 financial restructuring.

Subsequent to December 31, 2001, court approval was received in Arctic's U.S. bankruptcy proceedings and on March 4, 2002 the Corporation completed the acquisition of the remaining 75% not already owned in the Copperstone property at a cost of US$1,000,000, having received the necessary approvals from the U.S. Bankruptcy Court. Funding for this acquisition was by way of a loan of US$1,100,000 from Trilon Financial Corporation ("Trilon") (Note 6).

Copperstone D-Zone

	$
Initial advance	407,382
Advance royalty payment	152,600
Exploration expenditures	1,264,488
	1,824,470

In June 2000, the Corporation entered into an agreement (the Copperstone D-Zone Joint Venture) with Centennial Development Corporation ("CDC") for the underground exploration and extraction of mineralized materials from the D-Zone of up to 50,000 tons of mineralized material from the Copperstone property. Pursuant to the Copperstone D-Zone Joint Venture, as amended, the Corporation acquired a 55 percent interest in the Copperstone

4. COPPERSTONE PROPERTY (Continued)

D-Zone Joint Venture for a cash payment of US$375,000 with a an option to increase its interest in the property 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 Copperstone D-Zone Joint Venture for a total earned interest of 60%.

Subsequent to December 31, 2001, the Corporation entered into an agreement with CDC whereby it will acquire the remaining 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 the 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 paid to CDC from the first 50,000 tons of mineralized material extracted from the D-Zone, subsequent to repayment of the Secured Credit Facility (Note 6);

(e) US$70,000 from initial proceeds from extraction of mineralized materials from the D-Zone, following repayment of the Secured Credit Facility (Note 6).

5. MINERAL PROPERTIES

Other mineral properties consist of the following:

	2001	2000
	$	$
Pamilco	**1,414,486**	1,353,640
Gold Bar	**375,990**	350,449
Golden Arrow	-	328,122
Gilbert	-	46,401
Snowstorm	**-**	304,156
Other properties	**-**	196,955
	1,790,476	2,579,723

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.

5. MINERAL PROPERTIES (Continued)

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 the year.

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 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.

6. CREDIT FACILITY

Subsequent to December 31, 2001, and resulting from the acquisition of 75% of the Copperstone project not already owned (note 4) the Corporation borrowed US$1,100,000 pursuant to its amended credit facility with Trilon. The loan from Trilon is repayable in two equal installments of US$550,000 on March 4, 2003 and March 4, 2004. This credit facility bears interest at the US base rate. The Corporation has also granted Trilon 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, if Trilon notifies the Corporation within 30 days prior to the expiry, with a new exercise price at the weighted average of the closing price of the Corporation’s common shares during the ten day period commencing on the date that is no more than thirty days prior to the expiry date of the current warrant.

The credit facility is secured by a first charge over the Copperstone property, a pledge of the shares of all the Corporation's subsidiaries, and an assignment of the Corporation's interest in all material mining claims, concessions and leases relating to the Corporation's mineral properties. Trilon has also been granted a preferential payment on the first US$ 1,100,000 of mining proceeds generated by the Copperstone project.

7. 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 and 2001	**64,735,129**	**17,742,491**

Options

As at December 31, 2001, there are 3,040,000 share options granted and outstanding to directors and employees, exercisable between $0.15 and $0.40 per share at varying times up until December 2005. The weighted average exercise price of these options at December 31, 2001 is $0.16 per share.

On March 4, 2002 the Corporation granted 2,810,000 share options to directors and officers, at an exercise price of $ 0.10 exercisable until March 4, 2007

Shares held in escrow

At December 31, 2001, 15,000,000 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 the acquisition on December 21, 2000.

Warrants

In connection with a private placement carried out in 2000, the following warrants remain outstanding at December 31, 2001 and are exercisable to common shares as follows:

Number of warrants	**Exercise price**	**Expiry date**
6,012,500	$ 0.30	June 18, 2002

8. RELATED PARTY TRANSACTIONS

During 2001, directors of the Corporation accrued compensation of $121,500 (2000 - $102,416) to reflect management and consulting services provided to the Corporation. These directors have agreed to defer payment of this amount until the Corporation is able raise additional capital to finance its operations.

During 2001, various directors of the Corporation loaned a further $206,306 (2000 - $51,720) to the Corporation for total loans outstanding of $258,026 at December 31, 2001. These loans are unsecured, bear no interest and will be deferred until the Corporation is able to raise additional capital to finance its operations.

During 2001, $6,358 (2000 - $45,516) in professional fees were accrued to a director of the Corporation.

During 2001, $17,440 (2000 - $15,850) in administration fees were accrued to a former officer of the Corporation.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	2001	2000
	$	$
Management fees, consulting and salaries	**194,544**	69,684
Office and administration	**78,378**	66,668
Professional fees	**27,906**	143,478
Shareholder information and transfer agent	**4,675**	47,488
Financing	-	45,719
	305,503	373,037

10. INCOME TAXES

The Corporation has tax loss carryforwards of approximately $3,562,000 available to offset future income for tax purposes which expire as follows:

	$
2002	178,000
2003	552,000
2004	1,008,000
2005	581,000
2006	526,000
2007	495,000
2008	222,000

In addition, the Corporation has approximately $9,500,000 of foreign exploration and development expense carryforwards available to be deducted against certain future resource profits. The availability of these foreign tax deductions is restrictive.

The Corporation has taken a full valuation allowance in respect of these carryforwards; accordingly, no future tax asset has been recognized in these financial statements.

10. INCOME TAXES (Continued)

Future income taxes result primarily from temporary differences in the recognition of certain revenue and expense items for financial and income tax reporting purposes. Significant components of the Corporation's future income tax assets and liabilities are as follows:

	2001	2000
	$	$
Future income tax assets		
Tax loss carryforwards	**1,877,000**	886,600
Resource exploration deductions	**5,294,000**	5,163,800
Book and tax base differences on assets	**4,000**	-
Valuation allowance	**(7,175,000)**	(7,050,400)
Future income tax assets	**-**	-
Future income tax liability		
Mineral properties (Note 3)	**(328,654)**	(328,654)

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, 2000	**$2,312,026**	**$1,790,455**	**$2,579,723**	**$6,682,204**
Additions during the period				
Option payments	90,471	34,015	40,797	165,283
Site maintenance & camp	79,570			79,570
Other			63,514	63,514
Mineral properties written down			(893,558)	(893,558)
Expenditures of the period	170,041	34,015	(789,247)	(585,191)
Balance, December 31, 2001	**$2,482,067**	**$1,824,470**	**$1,790,476**	**$6,097,013**

2. RELATED PARTY TRANSACTIONS

(a) During 2001, directors of the Corporation accrued compensation of $121,500 to reflect management and consulting services provided to the Corporation. These directors and officers have agreed to defer payment of this amount until the Corporation is able to raise additional capital to finance its operations.

(b) During 2001, various directors of the Corporation loaned a further $206,306 (2000 - $51,720) to the Corporation for total loans outstanding of $ 258,026 at December 31, 2001. 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) During 2001, $6,358 in professional fees were accrued to a director of the Corporation.

(d) During 2001, $17,440 in administration fees were accrued to a former officer of the Corporation.

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**:** 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
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
3,040,000		

(d) Outstanding Warrants

Number of Warrants	Exercise Price of Warrants	Expiry Date of Warrants
6,012,500	$ 0.30	June 18, 2002

(e) Shares in Escrow or Pooling Agreements

15,000,000 shares are in escrow to be released under the Canadian 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 & 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 milling arrangement. The Corporation is currently exploring proposals to fund this program.

American Bonanza Gold’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 year ended December 31, 2001, the Corporation had a net loss of $1,083,622 compared with a net loss of $362,515 for comparable period. The loss in 2001 is primarily attributable to the write off of the Golden Arrow, Snowstorm, Gilbert and other mineral claims totaling $ 893,558 and general and administrative expenditures of $ 305,503. General and administrative expenditures decreased from $373,037 to $305,503 in the year and included $ 144,298 of amounts accrued to directors and officers which have been deferred until the Corporation is able to raise additional capital to finance its operations..

In the period the Corporation recorded $181,687 in consulting income and other representing the sale of regional database information and consulting related income.

As at December 31, 2001 the Corporation had a working capital deficit of $1,228,858. Reference is made to the discussion under “Liquidity and Solvency”.

(a) Deferred costs

Deferred costs totaled $290,603 for the period. See Schedule A and Schedule B for this quarterly report for a breakdown of the exploration expenditures during the period.

During the period ended September 30, 2001, the Corporation completed the underground drilling program on the Copperstone D-Zone Joint Venture which commenced in September 2000. The drill results were not encouraging on this second-order priority target which was drilled because it lies directly in the path of the underground exploration ramp being driven from the open pit to the D-Zone, first priority target.

(b) Acquisition or abandonment of resources properties:

During the period the Corporation returned the Golden Arrow project to the property vendor and released other mineral claims including the Snowstorm and Gilbert projects.

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

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

During the period and as a result of returning the Golden Arrow project to the property vendor and releasing other mineral claims including the Snowstorm and Gilbert project the Corporation recognized a write off of $ 893,558.

(e) Transactions with related parties:

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

During the period ended December September 30, 2001, the following directors or officers provided services to the Corporation as follows:

– Consulting fees of $6,358 to David C. Beling for executive, management and technical services;
-- Consulting fees of $90,000 to Brian P. Kirwin for executive, management and technical services for the year ended December 31, 2001. Mr. Kirwin has agreed to defer this amount until the Corporation can raise additional capital to finance its operations; and,
– Consulting fees of $31,500 to Giulio Bonifacio for executive and management services for the year ended December 31, 2001. 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: Giulio T. Bonifacio, Director of the Issuer has assumed the position of Corporate Secretary resulting from the resignation of Bonnie L. Whelan. Additionally Mr. Bonifacio assumed the position of Vice President, Chief Financial Officer in the quarter ended December 31, 2001.

(o) Special resolutions passed by shareholders: Nil

3. SUBSEQUENT EVENTS

Reference is made to Note 4, 6 and 7 of the Corporation's annual audited financial statements for the year ended December 31, 2001.

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

The Corporation did not conduct any financings during the period ended December 31, 2001.

5. LIQUIDITY AND SOLVENCY

As at December 31, 2001 the Corporation had a working capital deficit of $1,222,858. Of this amount $433,800 is from 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 rasing funds through the sale of equities over the past number of years.

DIRECTORS

Ian W. Telfer
Vancouver, Canada

Ronald K. Netolitzky
Calgary, Canada

David C. Beling
Arizona, United States

Brian P. Kirwin
Reno, United States
President & Chief Executive Officer

Giulio T. Bonifacio
Vancouver, Canada
Vice President, Chief Financial Officer & Secretary

EXECUTIVE OFFICERS

Brian P. Kirwin
President & Chief Executive Officer

Giulio T. Bonifacio
Vice President, Chief Financial Officer & Secretary

Don Foster
Vice President, Exploration

OFFICES

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Canada, V6C 1G8
Telephone (604) 699-0023
Fax (604) 684-3123

Exploration Offices
290 Gentry Way
Suite 6
Reno, Nevada
United States, 89502
Telephone (775) 824-0707
Fax (775) 824-0898

AUDITORS

Tony M. Ricci, Inc. Chartered Accountant
Vancouver, Canada

LEGAL COUNSEL

Davis & Co.
Vancouver, Canada

Woodburn & Wedge
Reno, United States

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, Canada

SHARES LISTED

The TSX Venture Exchange (BZA)

CAPITALIZATION
(As at April 30, 2002)

Shares Issued and Outstanding: 64,735,129

ANNUAL GENERAL MEETING

American Bonanza's Annual General Meeting Of Shareholders will be held at 3:00 p.m. on Friday, June 21, 2002 at 2800 Park Place 666 Burrard Street, Vancouver, Canada.

INVESTOR RELATIONS CONTACT

Giulio T. Bonifacio,
Vice President, Chief Financial Officer & Secretary
Telephone (604) 699-0023

WEB SITE

Additional information about the Corporation can be found at our web site www.americanbonanza.com