

**FORM 51-901F  
 QUARTERLY REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2003  
 SCHEDULE A**

<b>ISSUER DETAILS:</b>	
<b>Name of Issuer</b>	<b>AMERICAN BONANZA GOLD MINING CORP.</b>
<b>Issuer's Address</b>	Suite 1606 - 675 West Hastings Street Vancouver, British Columbia, V6B 1N2
<b>Issuer Telephone Number</b>	(604) 699-0023
<b>Issuer's Web Site</b>	www.americanbonanza.com
<b>Contact Person</b>	Giulio T. Bonifacio
<b>Contact's Position</b>	Director, Executive Vice President & Chief Financial Officer
<b>Contact Telephone Number</b>	(604) 699-0023
<b>Contact E-mail</b>	gtbonifacio@boni.ca
<b>For Quarter Ended</b>	March 31, 2003
<b>Date of Report</b>	May 30, 2003
<b>CERTIFICATE</b> <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>	2003/05/30
<b>Name of Director</b>	<b>Date Signed</b>
<i>"Giulio T. Bonifacio"</i>	2003/05/30
<b>Name of Director</b>	<b>Date Signed</b>

# **American Bonanza Gold Mining Corp.**

Consolidated Financial Statements  
For the three months ended March 31, 2003

(Unaudited – Prepared by Management)

# American Bonanza Gold Mining Corp.

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2003	December 31, 2002
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,095,321	1,616,691
Cash from joint venture partner (note 4)	137,820	210,971
Accounts receivable	34,513	21,233
Marketable securities	24,000	24,000
	<b>4,291,654</b>	1,872,895
COPPERSTONE PROPERTY (note 3)	7,540,732	7,049,387
MINERAL PROPERTIES (note 4)	1,700,492	1,700,492
OFFICE EQUIPMENT, net	44,242	36,911
	<b>13,577,120</b>	10,659,685
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 3(b))	462,245	695,851
Current portion of long-term debt (note 5)	807,290	854,451
Funds held on behalf of joint venture partner (note 4)	137,820	210,971
Due to related parties	6,000	6,000
	<b>1,413,355</b>	1,767,273
LONG-TERM DEBT (note 5)	-	867,680
FUTURE INCOME TAXES	328,654	328,654
	<b>1,742,009</b>	2,963,607
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 6)	25,502,247	21,329,982
Cumulative currency translation adjustment	43,031	43,031
Deficit	(13,710,167)	(13,676,935)
	<b>11,835,111</b>	7,696,078
	<b>13,577,120</b>	10,659,685
SUBSEQUENT EVENT (note 6)		
CONTINGENT LIABILITY (note 3(b))		

**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)

	2003	2002
	\$	\$
<b>REVENUE</b>		
Consulting income and other	-	8,822
	-	8,822
<b>EXPENSES (INCOME)</b>		
General and administrative (note 7)	106,186	61,893
Exploration	22,425	-
Amortization	2,852	2,407
Translation and foreign exchange gain	(98,231)	-
	33,232	64,300
<b>NET LOSS</b>	(33,232)	(55,478)
<b>DEFICIT, beginning of period</b>	(13,676,935)	(13,191,881)
<b>DEFICIT, end of period</b>	(13,710,167)	(13,247,359)
<b>LOSS PER COMMON SHARE</b>		
Basic and diluted	(0.00)	(0.00)
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>	96,591,420	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)

	2003	2002
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss	(33,232)	(55,478)
Items not affecting cash		
Amortization	2,852	2,407
Cumulative currency translation adjustment	-	-
Foreign exchange gain on foreign denominated debt	(60,390)	-
	(90,770)	(53,071)
Changes in non-cash operating accounts		
Accounts receivable	(13,280)	-
Accounts payable	(233,606)	14,687
	(337,656)	(38,384)
<b>INVESTING ACTIVITIES</b>		
Copperstone property	(491,345)	(35,646)
Acquisition of additional interests in Copperstone property	-	(1,657,835)
Office equipment	(10,183)	-
	(501,528)	(1,693,481)
<b>FINANCING ACTIVITIES</b>		
Issue of common shares, net of issue costs	4,172,265	-
Long-term debt	-	1,753,620
Repayment of long-term debt	(854,451)	-
Due to related parties	-	58,935
	3,317,814	1,812,555
<b>INCREASE IN CASH</b>	<b>2,478,630</b>	<b>80,690</b>
<b>CASH, beginning of period</b>	<b>1,616,691</b>	<b>12,968</b>
<b>CASH, end of period</b>	<b>4,095,321</b>	<b>93,658</b>
<b>SUPPLEMENTARY INFORMATION:</b>		
<u>Cash flows include the following elements:</u>		
Interest paid	16,486	-
Income taxes paid	-	-

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

# American Bonanza Gold Mining Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

### 1. NATURE OF OPERATIONS

American Bonanza Gold Mining Corp. (the "Corporation") is a development stage mining company engaged in the identification, acquisition, exploration and development of high-grade gold properties located in the Great Basin of the American Southwest. The Corporation's properties contain defined mineral resources but the Corporation has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts capitalized is dependent upon the discovery of economically recoverable reserves, securing and maintaining title in the properties and obtaining the necessary financing to complete the exploration and development of these projects and upon the attainment of future profitable production. The amounts capitalized as deferred expenditures and property acquisition costs represent costs to date, and do not necessarily represent present or future values.

### 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, 2002.

### 3. COPPERSTONE PROPERTY

(a) 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:

	<b>March 31, 2003</b>	December 31, 2002
	(Unaudited)	
	\$	\$
Copperstone Project	<b>4,405,730</b>	4,364,150
Copperstone D-Zone	<b>3,135,002</b>	2,685,237
	<b>7,540,732</b>	7,049,387

## American Bonanza Gold Mining Corp.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

#### 3. COPPERSTONE PROPERTY (Continued)

##### COPPERSTONE PROJECT

	\$
<b>Balance, December 31, 1997</b>	-
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
Exploration expenditures	150,012
Acquisition of additional interest	<u>1,732,071</u>
Balance, December 31, 2002	4,364,150
Exploration expenditures	<u>41,580</u>
<b>Balance, March 31, 2003 (Unaudited)</b>	<b><u>4,405,730</u></b>

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.

During the year, 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 percent 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 Brascan Financial Corporation ("Brascan") (note 5).

##### (b) COPPERSTONE D-ZONE

	\$
Initial advance	407,382
Advance royalty payment	199,706
Acquisition of D-Zone joint venture interest	601,639
Exploration expenditures	<u>1,926,275</u>
<b>Balance, March 31, 2003 (Unaudited)</b>	<b><u>3,135,002</u></b>

## **American Bonanza Gold Mining Corp.**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2003 (Unaudited)

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#### **3. COPPERSTONE PROPERTY (Continued)**

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 assumed a 55 percent interest in the Copperstone D-Zone Joint Venture for a cash payment of US\$375,000 with 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 percent.

On February 14, 2002, the Corporation entered into an agreement with CDC whereby it would 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 and if these liabilities exceed the estimated amount then the additional amounts will be paid equally by CDC and the Corporation. These liabilities were recorded by the Corporation as at December 31, 2000. The Corporation subsequently settled approximately US\$218,815 of the liabilities for approximately US\$83,500 and accordingly wrote down these liabilities by US\$135,315;
- (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 pursuant to its Brascan loan agreement (note 6); and,
- (e) US\$70,000 from initial proceeds from extraction of mineralized materials from the D-Zone, following repayment pursuant to its Brascan loan agreement (note 5).

On July 26, 2002 the Corporation paid US\$345,000 to CDC in accordance with the above agreement and recorded a further US\$180,000 (Cdn.\$264,204) in accounts payable to reflect the estimated CDC payroll tax liability that may arise.

On October 17, 2002 the Corporation entered into mining services agreement with an Underground Mining Contractor ("Mining Contractor") for purposes of the development and extension of an existing underground decline in the D-Zone to establish underground infrastructure for subsequent exploration and development programs. On the basis of meeting certain pre-determined performance criteria the Mining Contractor can earn up to a 5 percent net profits royalty from the D-Zone bulk sample of up to 50,000 tons of mineralized material that may be completed.

All required payments were made with respect to the Copperstone project during 2002; therefore, the claims held are in good standing until August 2003.



# American Bonanza Gold Mining Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

### 4. MINERAL PROPERTIES

Other mineral properties consist of the following:

	<b>March 31, 2003</b>	December 31, 2002
	(Unaudited)	
	\$	\$
Pamlico	<b>1,377,552</b>	1,377,552
Gold Bar	<b>322,940</b>	322,940
	<b>1,700,492</b>	1,700,492

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 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 Pamlico and Gold Bar projects during 2002; therefore, the claims held are in good standing until August 2003.

#### **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 was deferred and paid in 2002. In 2002, a cash payment of US\$150,000 was made and in 2003 the final cash payment will increase 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.

On September 27, 2002 the Corporation entered into an Option Agreement with American Nevada Gold Corp. ("American Nevada"). Under the terms of the Option Agreement, American Nevada will be granted an option to earn a 50 percent interest in both the Pamlico and Gold Bar properties (the "Properties") for the following consideration:

- (a) Cash consideration totaling \$107,500; and,
- (b) Issuance of 800,000 common shares of American Nevada with 300,000 common shares to be issued in Year 1, and 250,000 common shares to be issued in each of Year 2 and 3 and fund exploration expenditure totaling \$3,600,000 over a three-year period.

## **American Bonanza Gold Mining Corp.**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2003 (Unaudited)

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#### **4. MINERAL PROPERTIES (Continued)**

Joint venture funding of \$480,000 has been received at March 31, 2003 of which \$342,180 was expended on exploration and \$137,820 was held as an advance on exploration, with additional funding requirements as follows: Year 1- \$20,000; Year 2 - \$1,100,000 and Year 3 – \$2,000,000. American Nevada's interest will vest at a rate of Year 1- 5 percent; Year 2 – 20 percent and Year 3 – 25 percent for a cumulative interest of 50 percent.

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

#### **5. LONG-TERM DEBT**

In connection with the acquisition of the remaining 75 percent interest in the Copperstone project not already owned (note 3) the Corporation received a loan of US\$1,100,000 from Brascan Financial Corporation ("Brascan"), fully secured against the assets of the Corporation (the "Brascan Loan") with interest accruing at the U.S. Base Rate 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.

On March 4, 2003 the Corporation repaid US\$537,200 to satisfy its remaining repayment obligation in 2003 pursuant to the loan agreement.

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).

## American Bonanza Gold Mining Corp.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

#### 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.

<b>Issued – Class A Common</b>	<b>Number of Common Shares</b>	<b>Amount</b>
		\$
<b>Balance, December 31, 2000 and 2001</b>	64,735,129	17,742,491
<b>Shares issued for:</b>		
Public offering	15,384,600	2,000,000
Corporate finance fee on public offering	400,000	-
Warrant exercise	20,000	3,000
Stock option exercise	310,000	40,850
Debt settlement	2,000,000	400,000
Private placement	10,166,665	1,525,000
Corporate finance fee on private placement	250,000	-
Share issue costs	-	(381,359)
<b>Balance, December 31, 2002</b>	<b>93,266,394</b>	<b>21,329,982</b>
Private placement	18,295,454	4,025,000
Corporate finance fee on private placement	450,000	-
Warrant exercise	2,005,000	340,750
Agent warrant exercise	789,243	118,386
Stock option exercise	100,000	10,000
Share issue costs	-	(321,871)
<b>Balance, March 31, 2003 (Unaudited)</b>	<b>114,906,091</b>	<b>25,502,247</b>

On June 10, 2002 the Corporation completed a public offering of 15,384,600 units at a price of \$0.13 per unit totaling \$2,000,000. 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 until June 10, 2004 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 ("Canaccord") as agent for this offering was paid an agent fee of 8.5 percent on the aggregate gross proceeds, non-transferable agent warrants totaling 2,307,690 representing 15 percent of the number of units sold, exercisable under the same terms as the public financing, and a corporate finance fee payable through the issuance of 400,000 units. Each unit is comprised of one common share and one non-transferable warrant exercisable under the same terms as the public financing.

On October 17, 2002 the Corporation completed shares for debt settlement agreements for indebtedness totaling \$400,000 by the issuance of 2,000,000 common shares at a deemed price of \$0.20 per common share. All these securities are subject to Exchange and Securities Act hold periods expiring February 17, 2003.

# American Bonanza Gold Mining Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

### 6. SHARE CAPITAL (Continued)

On October 18, 2002 the Corporation completed a brokered and non-brokered private placement of 10,166,665 units at a price of \$0.15 per unit totaling \$1,525,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant ("warrant"). Each warrant entitles the holder to acquire one additional common share for a period of two years until October 18, 2004 at a price of \$0.17.

Canaccord as agent for this offering was paid an agent fee of 7 percent on the aggregate gross proceeds of the brokered portion sold by Canaccord, non-transferable agent warrants totaling 766,666, exercisable under the same terms as the private placement, representing 10 percent of the number of units sold by Canaccord and a corporate finance fee payable through the issuance of 250,000 units. Each unit is comprised of one common share and one non-transferable warrant exercisable under the same terms as the private placement. All these securities issued pursuant to the Private Placement are subject to Exchange and Securities Act hold periods expiring February 18, 2003.

On January 31, 2003 the Corporation completed a brokered private placement of 18,295,454 units at a price of \$0.22 per unit totaling \$4,025,000. Each unit is comprised of one common share and one half of a non-transferable common share purchase warrant ("warrant"). Each whole warrant entitles the holder to acquire one additional common share for a period of one year until January 31, 2004 at a price of \$0.28.

Canaccord as agent for this offering was paid an agent fee of 7 percent on the aggregate gross proceeds, agent warrants totaling 1,829,545 representing 10 percent of the number of units sold, exercisable under the same terms as the private placement, and a corporate finance fee payable through the issuance of 450,000 units. Each unit is comprised of one common share and one non-transferable warrant exercisable under the same terms as the private placement. All these securities issued pursuant to the Private Placement are subject to Exchange and Securities Act hold periods expiring May 31, 2003.

### Options

The Corporation has granted stock options to acquire an aggregate of 10,160,000 common shares to directors, officers and employees exercisable at between \$0.10 and \$0.31 per share at varying times up until February 24, 2008 as follows:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
190,000	\$0.20	January 11, 2005
310,000	\$0.15	September 11, 2005
2,050,000	\$0.15	December 22, 2005
2,460,000	\$0.10	March 4, 2007
3,900,000	\$0.17	December 6, 2007
1,250,000	\$0.31	February 24, 2008
<b>10,160,000</b>		

The weighted average exercise price of these options is \$0.17 per share. Subsequent to March 31, 2003, 190,000 share options were exercised at \$0.20.

# American Bonanza Gold Mining Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2003 (Unaudited)

### 6. SHARE CAPITAL (Continued)

#### Warrants

The Corporation has granted share purchase warrants to acquire an aggregate of 39,388,650 common shares as follows:

<b>Number of warrants</b>	<b>Exercise price</b>	<b>Expiry date</b>
1,500,000	\$ 0.13	March 4, 2004 <sup>(1)</sup>
17,278,047	\$ 0.15 to \$0.17	June 10, 2003 to June 10, 2004
9,183,331	\$ 0.17	October 18, 2004
11,427,272	\$ 0.28	January 31, 2004
<b>39,388,650</b>		

- (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.

Subsequent to March 31, 2003 131,616 share purchase warrants were exercised at \$0.15.

#### Shares held in escrow

At December 31, 2002, 9,000,000 common shares of the 20,000,000 common shares of the Corporation issued to acquire Bonanza Gold Inc. remained 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.

On March 14, 2003 the Corporation qualified and met the requirements for a TIER 1 issuer on the TSX Venture Exchange. As a result of the change in classification all remaining common shares held in escrow were released.

### 7. GENERAL AND ADMINISTRATIVE EXPENSES

	<b>March 31, 2003</b>	December 31, 2002
	(Unaudited)	
	\$	\$
Management fees, consulting and salaries	<b>69,910</b>	22,500
Office and administration	<b>4,080</b>	7,551
Legal and accounting	<b>14,594</b>	29,864
Public company expenses	<b>17,602</b>	1,978
	<b>106,186</b>	61,893



**FORM 51-901F  
 QUARTERLY REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2003  
 SCHEDULE B AND C**

<b>ISSUER DETAILS:</b>	
<b>Name of Issuer</b>	<b>AMERICAN BONANZA GOLD MINING CORP.</b>
<b>Issuer's Address</b>	Suite 1606 - 675 West Hastings Street Vancouver, British Columbia, V6B 1N2
<b>Issuer Telephone Number</b>	(604) 699-0023
<b>Issuer's Web Site</b>	www.americanbonanza.com
<b>Contact Person</b>	Giulio T. Bonifacio
<b>Contact's Position</b>	Director, Executive Vice President & Chief Financial Officer
<b>Contact Telephone Number</b>	(604) 699-0023
<b>Contact E-mail</b>	gtbonifacio@boni.ca
<b>For Quarter Ended</b>	March 31, 2003
<b>Date of Report</b>	May 30, 2003
<b>CERTIFICATE</b> <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>	2003/05/30
<b>Name of Director</b>	<b>Date Signed</b>
<i>"Giulio T. Bonifacio"</i>	2003/05/30
<b>Name of Director</b>	<b>Date Signed</b>

**Supplementary Information**  
**For the three months ended March 31, 2003**

**1. ANALYSIS OF DEFERRED EXPENDITURES**

Summary of exploration and acquisition related expenditures on active properties:

	<b>Copperstone Project</b>	<b>Copperstone D-Zone</b>	<b>Nevada Projects</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance, December 31, 2002</b>	<b>4,364,150</b>	<b>2,685,237</b>	<b>1,700,492</b>	<b>8,749,879</b>
<b>Additions for the three months ended March 31, 2003</b>				
Interest capitalized on loan	16,486			16,486
Underground decline (mining)		391,676		391,676
Underground decline (geology)		58,089		58,089
Drilling and support costs			73,151	73,151
Site maintenance & camp support				
Utilities and power	9,639			9,639
Property caretakers	6,337			6,337
Disposal	-			-
Telephone	3,120			3,120
Maintenance program	195			195
Supplies and camp service	5,803			5,803
Less: recovery from JV partner			(73,151)	(73,151)
	<b>41,580</b>	<b>449,765</b>	<b>-</b>	<b>491,345</b>
<b>Balance, March 31, 2003</b>	<b>4,405,730</b>	<b>3,135,002</b>	<b>1,700,492</b>	<b>9,241,224</b>

**2. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the period.



**Supplementary Information  
For the three months ended March 31, 2003**

**3. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE THREE MONTHS ENDED MARCH 31, 2003**
**(a) Securities Issued During the three months ended March 31, 2003:**

<b>Date of Issue</b>	<b>Type of Security</b>	<b>Type of Issue</b>	<b>Number of Shares Issued</b>	<b>Price per Share</b>	<b>Total Proceeds</b>	<b>Type of Consideration</b>	<b>Commission Paid</b>
				\$	\$		\$
20-Jan-03	Common Shares	Warrant Exercise	51,000	0.15	7,650	Cash	Nil
24-Jan-03	Common Shares	Warrant Exercise	5,000	0.15	750	Cash	Nil
31-Jan-03	Common Shares	Private Placement	18,295,454	0.22	4,025,000	Cash	281,750
31-Jan-03	Common Shares	Corporate Finance	450,000	0.22	-	Fee	Nil
10-Feb-03	Common Shares	Warrant Exercise	77,160	0.15	11,574	Cash	Nil
20-Feb-03	Common Shares	Warrant Exercise	611,083	0.15	91,662	Cash	Nil
5-Mar-03	Common Shares	Warrant Exercise	2,000,000	0.17	340,000	Cash	Nil
6-Mar-03	Common Shares	Option Exercise	100,000	0.10	10,000	Cash	Nil
31-Mar-03	Common Shares	Warrant Exercise	50,000	0.15	7,500	Cash	Nil
			<b>21,639,697</b>		<b>4,494,136</b>		<b>281,750</b>

**(b) Incentive Stock Options Granted During the three months ended March 31, 2003:**

<b>Date of Grant</b>	<b>Number of Options</b>	<b>Optionee</b>	<b>Position</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
				\$	
24-Feb-03	550,000	Brian Kirwin	President & CEO	0.31	Feb-24-08
24-Feb-03	450,000	Giulio Bonifacio	Executive Vice President, CFO & Corporate Secretary	0.31	Feb-24-08
24-Feb-03	100,000	Foster Wilson	VP, Corporate Development	0.31	Feb-24-08
24-Feb-03	150,000	Catherine Tanaka	Assistance Corporate Secretary	0.31	Feb-24-08
<b>1,250,000</b>					

Supplementary Information  
For the three months ended March 31, 2003

## 4. SUMMARY OF SECURITIES AS AT MARCH 31, 2003

## (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

114,906,091 common shares at a recorded value of \$25,502,247

## (c) Outstanding Options

Number of Options	Option Exercise Price	Option Expiry Date
	\$	
190,000	0.20	January 11, 2005
310,000	0.15	September 11, 2005
2,050,000	0.15	December 22, 2005
2,460,000	0.10	March 4, 2007
3,900,000	0.17	December 6, 2007
1,250,000	0.31	February 24, 2008
<b style="text-align: center;">10,160,000</b>		

## (d) Outstanding Warrants

Number of Warrants	Exercise Price of Warrants	Expiry Date of Warrants
	\$	
1,500,000	0.13	March 4, 2004 <sup>(1)</sup>
17,278,047	0.15 to \$0.17	June 10, 2003 to June 10, 2004
8,166,665	0.17	October 18, 2004
250,000	0.17	October 18, 2004
766,666	0.17	October 18, 2004
9,147,727	0.28	January 31, 2004
450,000	0.28	January 31, 2004
1,829,545	0.28	January 31, 2004
<b style="text-align: center;">39,388,650</b>		

**Supplementary Information  
For the three months ended March 31, 2003**

(1) Brascan Financial Corporation has an option (the "Option") to extend the term of its warrants 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**

As at December 31, 2002, 9,000,000 common shares of the 20,000,000 common shares issued to acquire Bonanza Gold Inc. remained in escrow and were subject to further release for a period of up to 36 months from the date of acquisition on December 21, 2000.

On March 14, 2003 the Corporation qualified and met the requirements for a TIER 1 issuer on the TSX Venture Exchange. As a result of the change in classification all remaining common shares held escrow were released.

**5. LIST OF DIRECTORS AND OFFICERS**

Ian W. Telfer, Director  
*West Vancouver, British Columbia*

Robert T. McKnight  
*West Vancouver, British Columbia*

Brian P. Kirwin, Director, President &  
Chief Executive Officer  
*Reno, Nevada*

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

**Supplementary Information  
For the three months ended March 31, 2003****MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2002 and the unaudited Consolidated Financial Statements for the three months ended March 31, 2003.

**Description of Business**

American Bonanza Gold Mining Corp. (the "Corporation") is a development stage mining company engaged in the identification, acquisition, exploration and development of high-grade gold properties primarily located in the Great Basin of the American Southwest.

The Corporation conducts its exploration and development activities independently as well as through option or earn-in arrangements. These arrangements are structured in such a way as to allow an interested party an ability to earn an interest in a project by funding exploration expenditures on the Corporation's projects over a period of time. Typically, the partner may earn up to a 50 percent interest on a vest in basis over a period of time with the Corporation retaining a back-in right to increase its interest by way of reimbursing exploration expenditures on a predetermined basis.

**Results of Operations**

For the three months ended March 31, 2003, the Corporation had a net loss of \$33,232 or nil per share compared with a net loss of \$55,478 or nil per share in 2002. The decrease from the comparable period was primarily attributable to the foreign exchange gain of \$60,390 on the Corporation's US dollar denominated debt offset with increases in general administrative and exploration expenditures in the current period.

General and administrative expenditures increased from \$61,893 in the comparable period to \$106,186. On a comparable basis management fees, consulting and salaries increased to \$69,910 from \$22,500 reflecting additional personnel and consulting fees. Public company expenses also increased as a direct result of increased activity by the Corporation during the period which included investor relation initiatives.

Exploration expenditures increased to \$22,425 from nil in the comparable period reflecting increased activity resulting from ongoing project evaluations. The Corporation continues to conduct project evaluations using its metallogenic explorations techniques which represent state-of-the-art tools for modern exploration in the Great Basin of the American Southwest. Exploration expenditures in the period reflect all cost associated with maintaining the Corporation's exploration office in Reno, Nevada.

**Financial Condition, Liquidity and Capital Resources**

The Corporation's working capital as at March 31, 2003 was \$2,878,299 compared with a working capital position of \$105,622 as at December 31, 2002. The increase was primarily attributed to a private placement of 18,295,454 Common Shares, including corporate finance shares totaling 450,000 Common Shares, for net proceeds of \$3,703,129. Additionally, the Corporation received proceeds of \$469,136 from share purchase warrant exercises. Subsequent to March 31, 2003 190,000 share options were exercised at \$0.20 and 131,616 share purchase warrants were exercised at \$0.15.

During 2002 the Corporation entered into a loan agreement with Brascan Financial Corporation for US\$1.1 million in connection with the acquisition of the remaining 75 percent of the Copperstone project not already owned. Under the terms of this agreement the loan is repayable in two equal installments of US\$550,000 on March 4, 2003 and March 4, 2004. On March 4, 2003 the Corporation satisfied its repayment obligation in 2003 pursuant to this loan agreement.

**Supplementary Information  
For the three months ended March 31, 2003**

During 2002 the Corporation resumed underground exploration and development at the Copperstone project, and subsequent to March 31, 2003 reached a significant milestone in that program. The underground workings now extend from the northern end of the Open Pit over 1,800 feet to the north to intersect the southern portion of the D-Zone high grade mineralized target. Channel sampling from the underground workings returned multi-ounce assays from the southern portion of the D-Zone, confirming the grades indicated by core holes drilled from surface. These results will be followed up with a substantial underground core drilling program planned to convert D-Zone resources to the reserve level and to aid design of further underground workings and future stopes. The total cost of the underground program in the period was \$ 449,765 not including site maintenance and camp support for a total cumulative cost of \$661,787 since the program began.

The Corporation's objective at Copperstone is to convert the resources to reserves, explore to expand the resources, and develop a significant high grade underground gold mining operation to production. Exploration efforts will focus on expanding the D and C Zones and on drilling the footwall zone, which may represent a mineralized structure parallel to the Copperstone Fault – the primary host of mineralization at Copperstone.

As at March 31, 2003 the Corporation had cash of \$4,095,321 compared to \$93,658 for the comparable period.

In management's opinion and in view of the Corporation's current working capital position and project financing by way of the option agreement on both its Gold Bar and Pamlico projects management believes the Corporation has adequate funding for purposes of completing its planned work programs in 2003 while ensuring adequate working capital over the next 18 months.

**Outlook**

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored that ultimately achieve commercial production. As present, none the Corporation's properties have a known body of commercial ore. Other risks facing the Corporation include economic risks, permitting, fluctuations in mineral prices, share price volatility and uncertainty as to its ability to complete additional financings to fund its future development and exploration work programs.

The Corporation will continue to focus the majority of its exploration and development activities in the Great Basin and the American Southwest. The Corporation will also continue to use its metallogenic explorations techniques which represent state-of-the-art tools for modern exploration in the Great Basin of the American Southwest which management views will be the catalyst for future corporate growth and achieving its stated mission of becoming a highly profitable gold producer.

As a mining company in the development stage the future liquidity of the Corporation will be affected principally by the level of exploration expenditures and by its ability to raise adequate level of capital through the equity markets. In management's opinion the Corporation's current working capital is sufficient for funding its planned development expenditures in 2003 on the Copperstone project and meeting its ongoing obligations as they become due. Additionally, the Corporation has adequate funding in place over a three year period by way of its option agreement on the Gold Bar and Pamlico projects to fund exploration expenditures on these projects.