

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **AUGUST 31, 2022**

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from _____ to _____

Commission File Number: 000-19954

JEWETT-CAMERON TRADING CO LTD

(Name of registrant as specified in its charter)

British Columbia, Canada
(State or Incorporation or Organization)

00-0000000
(IRS Employer ID No.)

32275 NW Hillcrest, North Plains, OR, USA 97133
(Address of principal executive offices)

Registrant's Telephone Number 503-647-0110

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, no par value	JCTCF	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
 Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.. Yes No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter:

February 28, 2022 = \$24,954,072

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of November 21, 2022:
3,495,342

Jewett-Cameron Trading Company Ltd.

Form 10-K Annual Report

Fiscal Year Ended August 31, 2022

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PART I

ITEM 1. BUSINESS

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words like “plans”, “expects”, “aims”, “believes”, “projects”, “anticipates”, “intends”, “estimates”, “will”, “should”, “could” and similar expressions in connection with any discussion, expectation, or projection of future operating or financial performance, events or trends. Forward-looking statements are based on management's current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from these expectations and assumptions due to changes in global political, economic, business, competitive, market, regulatory and other factors. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

These factors include, but are not limited to the fact that the Company is in a highly competitive business and may seek additional financing to expand its business, and are set forth in more detail elsewhere in this Annual Report, including in the sections, ITEM 1A, “Risk Factors”, and ITEM 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations”.

Introduction

Jewett-Cameron Trading Company Ltd. is organized under the laws of British Columbia, Canada. In this Annual Report, the “Company”, “we”, “our” and “us” refer to Jewett-Cameron Trading Company Ltd. and its subsidiaries.

The Company's operations are classified into three reportable operating segments, one discontinued segment (Industrial Tools) and the parent corporate and administrative segment, which were determined based on the nature of the products offered along with the markets being served. The segments are as follows:

- Industrial wood products
- Pet, Fencing and Other
- Seed processing and sales
- Corporate and administration

Effective September 1, 2013, the Company reorganized certain of its subsidiaries. Jewett-Cameron Lumber Corporation (“JCLC”) was changed to JC USA Inc. (“JC USA”), which has the following three wholly-owned subsidiaries.

The industrial wood products segment reflects the business conducted by Greenwood Products, Inc. (“Greenwood”). Greenwood is a processor and distributor of industrial wood products. A major product category is treated plywood that is sold to the transportation industry.

The pet, fencing and other segments reflect the business of the Jewett-Cameron Company (“JCC”). JCC is a wholesaler of products based in these categories. Pet products range from enclosures/kennels of varying types and construction primarily out of metal, to items that support the pet “home” such as beds, bowls and compostable dog waste bags. Fencing and containment products include such products as proprietary gate and fencing components, including trademarked and patented post systems, wood and other fencing infill products, as well as kitted security fencing solutions. Other products include garden, landscaping and miscellaneous products for the home. JCC uses contract manufacturers to make all products. Some of the products that JCC distributes flow through the Company's distribution center located in North Plains, Oregon, and some are shipped direct to the customer from the manufacturer. Primary customers are home centers, eCommerce providers, other retailers, and direct sales to consumers.

The seed processing and sales segment reflects the business of Jewett-Cameron Seed Company (“JCSC”). JCSC processes and distributes agricultural seed. Most of this segment's sales come from selling seed to distributors with a lesser amount of sales derived from cleaning seed.

The Company also formerly operated in the industrial tools and clamps segment through MSI-PRO (“MSI”). MSI imported and distributed products including pneumatic air tools, industrial clamps, and saw blades. These products were primarily sold to wholesalers that in turn sold to contractors and end users. During fiscal 2020, the Company decided to exit this segment. The remaining inventory was liquidated, and MSI was wound-up and closed.

JC USA provides professional and administrative services, including accounting and credit services, to each of its wholly-owned subsidiary companies.

Total Company sales were approximately \$62.9 million and \$57.5 million during fiscal years ended August 31, 2022 and 2021, respectively.

The Company's principal office is located at 32275 NW Hillcrest Street, North Plains, Oregon; and the Company's website address is www.jewettcameron.com. The Company's primary mailing address is P.O. Box 1010, North Plains, OR 97133. The Company's phone number is (503) 647-0110, and the fax number is (503) 647-2272.

The Company files reports and other information with the Securities and Exchange Commission located at 100 F Street NE, Washington, D.C. 20549. Copies of these filings may be accessed through their website at www.sec.gov. Reports are also filed under Canadian regulatory requirements on SEDAR, and these reports may be accessed at www.sedar.com.

The contact person for the Company is Chad Summers, President and CEO.

The Company's authorized capital includes 21,567,564 common shares without par value; and 10,000,000 preferred shares without par value. As of August 31, 2022 and November 21, 2022, there were 3,495,342 common shares outstanding. The Company's common shares are listed on the NASDAQ Capital Market in the United States with the symbol “JCTCF”.

The Company's fiscal year ends on August 31st.

General Development of Business

Incorporation and Subsidiaries

Jewett-Cameron Trading Company Ltd. was incorporated under the Company Act of British Columbia on July 8, 1987 as a holding company for Jewett-Cameron Lumber Corporation (“JCLC”), which was incorporated in September 1953 in Oregon, USA. Jewett-Cameron Trading Company, Ltd. acquired all the shares of JCLC through a stock-for-stock exchange on July 13, 1987, and at that time JCLC became a wholly owned subsidiary. Effective September 1, 2013, the Company completed a reorganization of certain of its subsidiaries and JCLC's name was changed to JC USA Inc. (“JC USA”). JC USA has the following wholly owned subsidiaries. MSI-PRO Co. (“MSI”), incorporated in April 1996 and dissolved in September 2019, Jewett-Cameron Seed Company, (“JCSC”), incorporated in October 2000, Greenwood Products, Inc. (“Greenwood”), incorporated in February 2002, and Jewett-Cameron Company (“JCC”) incorporated in September 2013. Jewett-Cameron Trading Company, Ltd. and its subsidiaries have no significant assets in Canada.

Corporate Development

Incorporated in 1953, JC USA operated as a small lumber wholesaler based in Portland, Oregon. In September 1984, the original stockholders sold their interest in the corporation to a new group of investors. Two members of that group remained active in the Company. These individuals are Donald Boone, who passed away in May, 2019, and who was the previous Chairman and Director and the former President, Chief Executive Officer, Treasurer, and Principal Financial Officer, transitioning to strictly the Board Chair in 2017; and Michael Nasser, who remains active in the business and is both a Director and the Corporate Secretary.

In July 1987, the Company acquired JC USA in what was not an arms-length transaction.

In early 1986, prior to JC USA being acquired by the Company, JC USA acquired Material Supply International (“Material Supply”). Material Supply was engaged in the importation and distribution of pneumatic air tools and industrial clamps. The product line was re-branded as “MSI-PRO” and MSI was incorporated in 1996 to carry-on the business of Material Supply.

In October 2000, JCSC was incorporated in anticipation of JC USA acquiring the business and certain assets of a firm called Agrobiotech Inc. JCSC operates as a seed storage, processing and sales business.

In February 2002, Greenwood was incorporated in anticipation of JC USA acquiring the business and certain assets of Greenwood Forest Products Inc. Greenwood is involved in the processing and distribution of specialty wood products.

In June 2012, the Company acquired land and fixed assets located in Manning, Oregon for \$250,000 cash. The property was sold in an arms-length transaction in the second quarter of fiscal 2019 for \$325,000 cash.

In May 2019 Chairman and Co-Founder of the Company Donald M. Boone passed away. Mr. Boone served as President and CEO from 1984 until 2017 when he voluntarily retired from his officer positions and oversaw the addition and successful integration of new management and directors.

In September 2019 the Board of Directors decided to permanently close the Company’s MSI-Pro division. Efforts to drive further sales and margin growth were unsuccessful due to a lack of market differentiation and changing customer patterns. The remaining inventory was liquidated and the personnel were moved into different positions with the Company. As of August 31, 2020, MSI was wound-up and the division closed.

Narrative Description of Business

The Company’s operations are classified into four segments: Industrial wood products; Pet, Fencing and Other; Seed processing and sales; and corporate and administration. Sales, income before taxes, assets, depreciation and amortization, capital expenditures, and interest expense by segment are shown in the financial statements under Note 12 “Segment Information”.

Pet, Fencing and Other – JCC

The pet, fencing and other segments reflect the business of Jewett-Cameron Company (JCC), which is a manufacturer and distributor of specialty products and a wholesaler of products formerly conducted by JCLC.

JCC operates out of a 5.6 acre owned facility located in North Plains, Oregon that includes offices, a warehouse, and a paved yard. This business is a wholesaler, and a manufacturer and distributor of products that include an array of pet enclosures, kennels, and pet welfare and comfort products, proprietary gate support systems, perimeter fencing, greenhouses, and fencing in-fill products made of wood, metal and composites. Examples of the Company’s brands include Lucky Dog®, for pet products; Adjust-A-Gate™, Fit-Right®, Perimeter Patrol®, and Lifetime Post™ for gates and fencing; Early Start, Spring Gardner™, Greenline®, and Weatherguard for greenhouses. JCC uses contract manufacturers to manufacture these products. Some of the products that JCC distributes flow through the Company’s facility in North Plains, Oregon, and some are shipped direct to the customer from the manufacturer. Primary customers are home centers, eCommerce partners, on-line direct consumers as well as other retailers.

The home improvement business is seasonal, with higher levels of sales occurring between February and August. Inventory buildup occurs until the start of the season in February and then gradually declines to seasonal low levels at the end of the summer.

JCC has concentrated on building a customer base for lawn, garden, and pet related products. Management believes this market is less sensitive to downturns in the U.S. economy than is the market for new home construction as its products serve both new and existing home and pet owners.

The wood products that JCC distributes are not unique and are available from multiple suppliers. However, the metal products that JCC manufactures and distributes may be somewhat differentiated from similar products available from other suppliers. The company has been successful garnering key patents and trademarks on multiple products that assist their ability to continue to differentiate based on design and functionality.

JCC owns the patents and manufacturing rights connected with the Adjust-A-Gate™ and Fit-Right™ products, which are the gate support systems for wood, vinyl, chain link, and composite fences. Management believes the ownership of these patents results in an important competitive advantage for these and certain other products. During fiscal 2022, the Company applied for one patent (fiscal 2021 – Nil) and received no patents (2021 – Nil). A patent granted in 2018 was an update of the Adjust-a-Gate™, which will extend the protection on the Adjust-a-Gate™ products for an additional 15 years.

Backlog orders are a factor in this business as customers may place firm priced orders for products for shipments to take place three to four months in the future.

Industrial Wood Products - Greenwood

Greenwood is a wholesale distributor of a variety of specialty wood products. Operations are co-located in the building utilized by JCC.

Historically, a major product category has been treated plywood that was sold into the marine industry. It migrated from that segment and focused more into the transportation industry. In February 2014, due to the falling marine market, the Company sold its remaining and excess inventory related to the marine industry. Greenwood's total sales for fiscal 2022 and 2021 were 4% and 5% respectively of total Company sales.

The primary market in which Greenwood competes has decreased in economic sensitivity as users are incorporating products into the municipal and mass transit transportations sectors. However, these markets may sustain some contractions due to COVID-19 related patterns of individuals utilizing transit and mass transit less due to concerns over exposure. In addition, this segment is prone to disruption of supply chain support which can impact other commodities outside of those specific to the disruption.

Inventory is maintained at non-owned warehouse and wood treating facilities throughout the United States and is primarily shipped to customers on a just-in-time basis. Inventory is generally not purchased on a speculative basis in anticipation of price changes.

Greenwood has no significant backlog of orders.

Seed Processing and Sales - JCSC

JCSC operates out of an approximately 12 acre owned facility located adjacent to North Plains, Oregon. JCSC processes and distributes agricultural seed. Most of this segment's sales come from selling seed to distributors with a lesser amount of sales derived from cleaning seed. Sales of seed has seasonality, but it is most affected by weather patterns in multiple parts of the United States that utilize cyclical planting. The annual weather plays an important part in year-to-year sales volatility and specific crop demand. However, profitability around after the month of August may be higher based on a seasonal surge in cleaning sales, which are more profitable than product sales.

JCSC often has a backlog of sales orders based on placement of future contracts so that buyers can capture key commodity supplies for specific crops due to seasonal patterns.

Administrative Services – JC USA

JC USA Inc. is the parent company for the Company's wholly-owned subsidiaries as described above. JC USA provides professional and administrative services, including warehousing, accounting and credit services, to its subsidiary companies.

Tariffs

The Company's metal and other products are largely manufactured in China and are imported into the United States. The Office of the United States Trade Representative ("USTR") instituted new tariffs on the importation of a number of products into the United States from China effective September 24, 2018. These new tariffs are a response to what the USTR considers to be certain unfair trade practices by China. The tariffs began at 10%, and subsequently were increased to 25% as of May 10, 2019. A number of the Company's products manufactured in China have been subject to duties of 25% when imported into the United States.

These new tariffs were temporarily reduced on many of the Company's imported products in September 2019 under a deemed one-year exemption. The 25% tariff rate was restored on the Company's products in September 2020 when the exemption expired.

Customer Concentration

The top ten customers were responsible for 84% and 81% of total Company sales for the years ended August 31, 2022 and August 31, 2021, respectively. Also, the Company's single largest customer was responsible for 28% and 33% of total Company sales for the years ended August 31, 2022 and August 31, 2021 respectively.

Employees

As of August 31, 2022 the Company had 75 full-time employees (August 31, 2021 – 74 full-time employees). By segment these employees were located as follows: Greenwood 1, JCC 44, JCSC 11, and JC USA 19. None of these employees are represented by unions at the Company. Jewett-Cameron Trading Company Ltd. has no direct employees, and the CEO of the Company is employed by JC USA.

ITEM 1A. RISK FACTORS

Investors should carefully consider the following risk factors and all other information contained in this Annual Report. There is a great deal of risk involved. In the business of the company, any of the following risks could affect our business, its financial condition, its potential profits or losses, and could result in you losing your entire investment if our business became insolvent. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, including those not presently known to us or that we currently deem immaterial, also may result in decreased revenues, increased expenses or other events which could result in a decline in the price of our common stock.

Risks Related to Our Common Stock

We may decide to acquire assets or enter into business combinations, which could be paid for, either wholly or partially with our common stock and if we decide to do this our current shareholders would experience dilution in their percentage of ownership.

Our Articles of Incorporation give our Board of Directors the right to enter into any contract without the approval of our shareholders. Therefore, our management could decide to make an investment (buy shares, loan money, etc.) without shareholder approval. If we acquire an asset or enter into a business combination, this could include exchanging a large amount of our common stock, which could dilute the ownership interest of present stockholders.

Future stock distributions could be structured in such a way as to be 1) diluting to our current shareholders or 2) could cause a change in control to new investors.

If we raise additional funds by selling more of our stock, the new stock may have rights, preferences or privileges senior to those of the rights of our existing stock. If common stock is issued in return for additional funds, the price per share could be lower than that paid by our current stockholders. The result of this would be a lessening of each present stockholder's relative percentage interest in our company.

The Company's common shares currently trade within the NASDAQ Capital Market in the United States. The common shares also formerly traded on the Toronto Stock Exchange in Canada until the Company voluntarily delisted from the Toronto Stock Exchange on October 11, 2012. The average daily trading volume of our common stock was approximately 3,350 shares on NASDAQ for the fiscal year ended August 31, 2022. With this limited trading volume, investors could find it difficult to purchase or sell our common stock.

Risks Related to Our Business

A contagious disease outbreak, such as the recent COVID-19 pandemic emergency, could have an adverse effect on our operations and financial condition

Our business could be negatively affected by an outbreak of an infectious disease due to the consequences of the actions taken by companies and governments to contain and control the virus. These consequences include:

- The inability of our third-party manufacturers in China and elsewhere to manufacture or deliver products to us in a timely manner, if it all.
- Isolation requirements may prevent our employees from being able to report to work or being required to work from home or other off-site location which may prevent us from accomplishing certain functions, including receiving products from our suppliers and fulfilling orders for our customers, which may result in an inability to meet our obligations.
- Our new products may be delayed or require unexpected changes to be made to our new or existing products.
- The effect of the outbreak on the economy may be severe, including an economic downturn and decrease in employment levels which could result in a decrease in consumer demand for our products.

The financial impact of such an outbreak are outside our control and are not reasonable to estimate but may be significant. The costs associated with any outbreak may have an adverse impact on our operations and financial condition and not be fully recoverable or adequately covered by insurance.

We could experience a decrease in the demand for our products resulting in lower sales volumes.

In the past we have at times experienced decreasing products sales with certain customers. The reasons for this can be generally attributed to: increased competition; general economic conditions; demand for products; and consumer interest rates. If economic conditions deteriorate or if consumer preferences change, we could experience a significant decrease in profitability.

If our top customers were lost, we could experience lower sales volumes.

For the fiscal year ended August 31, 2022 our top ten customers represented 84% of our total sales, and our single largest customer was responsible for 28% of our total sales. We would experience a significant decrease in sales and profitability and would have to cut back our operations, if these customers were lost and could not be replaced. Our top ten customers are located in North America and are primarily in the retail home improvement and pet industries.

We could experience delays in the delivery of our products to our customers causing us to lose business.

We purchase our products from other vendors and a delay in shipment from these vendors to us could cause significant delays in our delivery to our customers. This could result in a decrease in sales orders to us and we would experience a loss in profitability.

Governmental actions, such as tariffs, and/or foreign policy actions could adversely and unexpectedly impact our business.

Since the bulk of our products are supplied from other countries, political actions by either our trading country or our own domestic policy could impact both availability and cost of our products. Currently, we see this in regard to tariffs being levied on foreign sourced products entering into the United States, including from China. The continuing tariffs by the United States on certain Chinese goods include some of our products that we purchase from suppliers in China. The company has multiple options to assist in mitigating the cost impacts of these government actions. However, we cannot control the duration or depth of such actions which may increase our product costs which would in turn reduce our margins and potentially decrease the competitiveness of our products. These actions could have a negative effect on our business, results of operations, or financial condition.

We could lose our credit agreement and could result in our not being able to pay our creditors.

We have a line of credit with U.S. Bank in the amount of \$10 million, of which \$2.4 million is available. We are currently in compliance with the requirements of our existing line of credit. If we lost this credit it could become impossible to pay some of our creditors on a timely basis.

Our information technology systems are susceptible to certain risks, including cyber security breaches, which could adversely impact our operations and financial condition.

Our operations involve information technology systems that process, transmit and store information about our suppliers, customers, employees, and financial information. These systems face threats including telecommunication failures, natural disasters, and cyber security threats, including computer viruses, unauthorized access to our systems, and other security issues. While we have taken aggressive steps to implement security measures to protect our systems and initiated an ongoing training program to address many of the primary causes of cyber threat with all our employees, such threats change and morph almost daily. There is no guarantee our actions will secure our information systems against all threats and vulnerabilities. The compromise or failure of our information systems could have a negative effect on our business, results of operations, or financial condition.

If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could harm our business and we could be subject to regulatory scrutiny.

We have completed a management assessment of internal controls as prescribed by Section 404 of the Sarbanes-Oxley Act, which we were required to do in connection with our year ended August 31, 2022. Based on this process we did not identify any material weaknesses. Although we believe our internal controls are operating effectively, we cannot guarantee that in the future we will not identify any material weaknesses in connection with this ongoing process.

ITEM 1B. UNRESOLVED STAFF COMMENTS

--- No Disclosure Necessary ---

ITEM 2. PROPERTIES

The Company's executive offices are located at 32275 NW Hillcrest Street, North Plains, OR 97133. The 5.6 acre facility, which is owned, consists of 55,250 square feet of covered space (10,000 office and 47,250 warehouse), a little over three acres of paved yard space, and was originally completed in October 1995. A 12,000 square foot warehouse expansion was completed in fiscal 2017 which the Company is using for several new product lines. In fiscal 2021, the Company completed the conversion of 2,000 square feet of older warehouse space into 4,000 square feet of office and meeting space on two levels. The facility provides office space for JC USA, including all of the Company's executive offices, and is used as a distribution center to service the Company's customer base for JCC and Greenwood. During fiscal 2022, the Company leased an additional 4,700 square feet of warehouse space located in North Plains.

The property associated with JCSC, which is owned, consists of 11.7 acres of land, 105,000 square feet of buildings, rolling stock, and equipment. It is currently used for seed processing and storage. It is located at 31345 NW Beach Road, Hillsboro, OR 97124, which is adjacent to North Plains, OR.

During fiscal 2010, the Company purchased a 2,000 square foot building that previously housed a seed testing lab located at 31895 NW Hillcrest Street, North Plains, OR 97133. The Company formerly leased the property for \$729 per month until the expiration of the lease on January 4, 2010. At that time, the Company exercised its option to buy the land and building for a total cost of \$150,946. In fiscal 2020, the Company began a renovation of this building into its new innovation center which will focus on new product development for the Company's subsidiaries. The renovation was completed during fiscal 2021.

ITEM 3. LEGAL PROCEEDINGS

A consortium of California District Attorneys contacted the Company in regard to possible liabilities related to environmental labeling of its plant-based Lucky Dog Poop Bags previously sold in the State of California. The Company has since modified its product marketing statements in response to their concerns, and during the period ended May 31, 2022, accrued \$300,000 in anticipation of a settlement. In June 2022, a settlement was finalized which requires the Company to pay the previously accrued \$300,000 as a cash fine over a four-month period with no admission of guilt by the Company.

The Company was one of three named defendants in a Civil Action in Pennsylvania. The matter arises out of a dog allegedly escaping from a Jewett-Cameron kennel product and causing personal injuries to three individuals. The Company's applicable liability insurer provided the defense covering the Company's legal fees and costs. During the fiscal year ended August 31, 2022, the case was settled within the Company's insurance policy limits with no admission of guilt by the Company, and there were no additional costs incurred.

The Company has initiated arbitration against a former distributor asserting a breach of the distribution agreement and seeking damages. Arbitration is tentatively scheduled to occur in December 2022. While the company is robustly pursuing its rights and defending itself against claims, the arbitration and lawsuit are in their initial stages and therefore it is speculative to predict as to its outcome.

ITEM 4. MINE SAFETY DISCLOSURES

--- No Disclosure Necessary ---

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common shares trade on the NASDAQ Capital Market (formerly the NASDAQ Small Cap Market) in the United States. The trading symbol for the common stock is "JCTCF" and the CUSIP number for the stock is 47733C-20-7. The common stock began trading on the NASDAQ Small Cap Market in April 1996.

The Company declared a two for one stock split of its common stock with a record date of the close of business on May 22, 2018. Shareholders received one additional common share for each common share held as of the record date. The stock split was effective as of May 29, 2018.

Table No. 1 lists the volume of trading along with the high, low, and closing sales prices on the NASDAQ Capital Market for the Company's common shares. Prices are adjusted to reflect the common stock split effective May 29, 2018.

Table No. 1
NASDAQ Capital Market
Common Shares Trading Activity
(US Dollars)

Period Ended	Volume	High	Low	Closing
Monthly				
9/30/22	101,800	\$ 6.54	\$ 5.03	\$ 5.30
Quarterly				
8/31/22	162,600	\$ 7.09	\$ 6.19	\$ 6.36
5/31/22	271,500	\$ 8.25	\$ 5.50	\$ 6.72
2/28/22	153,800	\$ 9.84	\$ 7.15	\$ 7.98
11/30/21	254,100	\$ 13.74	\$ 9.02	\$ 9.15
8/31/21	389,800	\$ 12.00	\$ 9.62	\$ 10.60
5/31/21	149,300	\$ 10.95	\$ 9.71	\$ 9.93
2/28/21	380,100	\$ 10.80	\$ 8.26	\$ 10.56
11/30/20	386,200	\$ 11.66	\$ 7.23	\$ 8.90
Annually				
8/31/22	842,000	\$ 13.74	\$ 5.50	\$ 6.36
8/31/21	1,305,400	\$ 12.00	\$ 7.23	\$ 10.60
8/31/20	455,600	\$ 8.78	\$ 5.00	\$ 7.55
8/31/19	1,318,200	\$ 10.00	\$ 6.23	\$ 8.04
8/31/18	1,252,600	\$ 8.96	\$ 6.50	\$ 8.68

Holder

Computershare Investor Services Inc. which is located in Vancouver, British Columbia, Canada is the registrar and transfer agent for the common shares.

On October 11, 2022 there were 23 registered shareholders and 3,495,342 shares of the Company's common shares outstanding.

Dividends

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain earnings for use in its operations, expansion of its business, and the possible repurchase of Company shares. There are no restrictions that limit the ability of the Company to pay dividends on common equity or that are likely to do so in the future. Any dividends paid by the Company to U.S. shareholders would be subject to Canadian withholding tax.

Recent Sales of Securities: Use of Proceeds from Securities

The Company has sold no securities in the last 3 fiscal years.

Purchases of equity securities by the issuer and affiliated purchasers

The Company has not repurchased any common shares during the years ended August 31, 2022 or August 31, 2021.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The Company's operations are classified into three reportable operating segments and the parent corporate and administrative segment, which were determined based on the nature of the products offered along with the markets being served. The segments are as follows:

- Industrial wood products
- Pet, Fencing and Other
- Seed processing and sales
- Corporate and administration

Quarterly Results

The following table summarizes quarterly financial results in fiscal 2022 and fiscal 2021. (Figures are thousands of dollars except per share amounts).

	For the Year Ended August 31, 2022				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year*
Sales	\$ 12,918	\$ 14,061	\$ 20,922	\$ 15,001	\$ 62,902
Gross profit	2,465	3,424	5,353	2,551	13,793
Net income (loss)	(391)	270	1,494	(209)	1,164
Basic earnings (loss) per share	\$ (0.11)	\$ 0.08	\$ 0.43	\$ (0.06)	\$ 0.33
Diluted earnings (loss) per share	\$ (0.11)	\$ 0.08	\$ 0.43	\$ (0.06)	\$ 0.33

	For the Year Ended August 31, 2021				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Sales	\$ 10,316	\$ 10,460	\$ 21,620	\$ 15,106	\$ 57,502
Gross profit	2,963	2,612	5,582	2,990	14,147
Net income (loss)	489	(63)	2,414	615	3,455
Basic earnings per share	\$ 0.14	\$ (0.02)	\$ 0.69	\$ 0.18	\$ 0.99
Diluted earnings per share	\$ 0.14	\$ (0.02)	\$ 0.69	\$ 0.18	\$ 0.99

* Fiscal 2022 quarterly per share earnings were calculated using weighted average number of common shares outstanding as of August 31, 2022 of 3,493,807 (2021 – 3,486,537). The sum of the quarterly earnings per share may not equal the full year earnings per share due to the use of the full year's weighted average share figure and rounding.

RESULTS OF OPERATIONS

Fiscal 2022 was a difficult and unpredictable year. Although the challenges associated with the worldwide COVID pandemic began to fade, the recovery brought its own unique difficulties, both for the Company and our customers.

Sales for the year were \$62,901,831, which was an increase of \$5,400,288, or 9%, from sales of \$57,501,543 in fiscal 2021. Our cost of sales, however, increased by \$5,753,875, or 13%, which compressed our gross margins to 21.9% for the current year from 24.6% in fiscal 2021. These higher costs were due to large increases in raw material, energy, transportation, and freight costs during the year. We were especially affected by the soaring ocean freight costs caused by near-record high energy prices, port delays and shortages of vessels and shipping containers in the Pacific region. For example, our container shipping costs from China in the 4th quarter of fiscal 2022 were over 60% higher than we paid in the 4th quarter of fiscal 2021, and over 900% higher than we paid in fiscal 2020 and 2019. We also saw unprecedented increases in our shipping and delivery costs within the United States, and the time to both receive and deliver our goods also increased substantially.

Because of the increasing costs of shipping and uncertainty of the timing of receipt of orders from China, coupled with rising inflation, we decided at the end of the 2nd quarter to build our on-site inventory, particularly in our highest volume items. This build began prior to the start of our traditionally busiest Spring and Summer sales season in our 3rd and 4th quarters of our fiscal year. It allowed us to mitigate the risks of shipping and supply chain disruptions and ship ahead of several announced price increases from both suppliers and shippers.

This higher level of inventory lowered some of our product costs while ensuring high product availability of our most popular products and on-time fulfillment during the 3rd quarter. However, the supply issues on certain products which we experienced throughout the year worsened in the 4th quarter and reduced our anticipated level of sales. We sold out of some products entirely and lost sales while waiting for additional units to arrive from China. Due to both supplier and shipping delays, some of our seasonal products arrived late and we missed the primary sales window. Those sales could not be recouped. Several new products, which we originally planned for release in fiscal 2021 but were pushed back into 2022 due to the effects of the pandemic in China, had a slower than expected roll-out as many of our customers were also experiencing inventory issues and curtailed their orders. Our customers' inventory issues also unexpectedly affected sales of some of our existing products, as certain retailers did not order at their usual volumes. We have now met with these customers to discuss and correct the issues to help ensure improved order volumes going forward.

During the fourth quarter we evaluated the costs of our international sales and decided that we will pause our effort to expand our sales in Europe. Our strategy of selling our products through distributors was ultimately not profitable, and we are evaluating new European sales strategies for the future. However, in the near term, we determined that the deteriorating European financial environment, which has been negatively affected by the strong US dollar, the war in Ukraine, and likely upcoming energy shortages, is not an opportune time to resume our sales efforts. Therefore, we will be liquidating the inventory we currently have located in Europe during fiscal 2023. In the 4th quarter, we recorded a \$800,000 inventory allowance against our earnings, with a good portion of this allowance for the carrying value of our European inventory. We feel that there remains significant long-term potential to expand our sales internationally and remain committed to international expansion. We intend to formulate a new international growth plan, including in Europe, and will consider new sales initiatives once financial conditions improve.

Our fiscal 2022 financial results were also negatively affected by the settlement of a case brought by an association of California District Attorneys. This case related to their ongoing investigation into the environmental labeling and marketing of dog waste bags. The District Attorneys claim that labeling certain dog waste bags, including the Company's, as biodegradable or compostable were misleading due to the lack of industrial composting facilities that accept dog waste. A number of major retailers also settled their portion of the case. In June 2022, we agreed to settle for a \$300,000 payment with no admission of guilt by the Company. In response to the case, we have redesigned our packaging and marketing materials for the poop bags which included feedback from the District Attorneys to help ensure legal compliance for our future sales of the products within California. We have moved forward with the lessons learned from the issue. Sales with the new packaging have resumed throughout the US and are selling well through both retailers and online which demonstrates the consumer's desire for these types of new products.

Building our inventory required greater cash outlays which we primarily funded through our bank line of credit. Our plan is to repay the line of credit as the inventory is sold and accounts receivable are collected. We reduced our borrowing from a high during the year of \$9.5 million to \$7.0 million as of August 31st. Because we are currently well stocked with inventory, we anticipate that we will order and receive smaller amounts of inventory than we historically order during the first quarter and into the second quarter of fiscal 2023. This is expected to allow us to more effectively manage our working capital in fiscal 2023.

We have continued to strategically invest in our personnel, facilities, and equipment. Effective January 1, 2022, Charlie Hopewell moved from the day-to-day operational role as CEO to his overall strategy positions as a Director and Board Chair. Chad Summers assumed the role of Chief Executive Officer in addition to his prior position as President, and Mitch Van Domelen, CPA, was promoted to Chief Financial Officer. Chad Summers was also named a Director in November 2022. We also added new employees and promoted from within to fill important skilled specialty roles to improve our efficiency and expand customer engagement and service, including a new Chief Revenue Officer and newly created positions of a Vice-President of Supply and a Vice-President of Fulfillment formerly consolidated under the COO role. In both 2021 and 2022, we were named a “Top Workplace” by the Oregonian Newspaper, based on employee survey responses which has helped us to retain and attract talent and build a positive corporate culture.

We expanded our facilities through the renovation of an existing warehouse building which we will use for both custom order fulfillment and to support our growing fence business. New investments have been made in technology improvements, including Electronic Data Interchange (EDI) and customer order automation through a Business to Business portal. Our corporate website was upgraded with enhanced accessibility, functionality and modernized investor relations and contact sections. We also redesigned our product section with easier navigation and a more unified brand presentation within a new eCommerce interface.

Although ocean shipping costs have recently fallen from the record highs seen in fiscal 2022, other logistic issues remain. Because of these supply chain and logistic issues, as well as the continuing tariffs levied on Chinese made goods, management is exploring new sources for our raw materials and the manufacture of certain finished products.

The predictions for worsening macroeconomic conditions in the US due to higher rates of inflation and negative consumer sentiment clouds the outlook for fiscal 2023. Higher energy, food and housing prices have severely restrained consumers’ available discretionary income. This has negatively affected their willingness to spend money on non-critical items as reflected in the recent significant decline in the US Index of Consumer Sentiment, which may limit our ability to grow our sales in the near-term. The rate of inflation experienced in fiscal 2022 has resulted in many of our product selling prices lagging our product costs as our customers were slow to adopt our price increases. The rate of inflation is anticipated to continue to increase in the near-term, and we may not be able to increase our prices in response as quickly as our costs could rise. Our current inventory is also being carried at historically high costs as a result of the multiple supply chain and inflationary issues we have been experiencing. This will reduce our gross profit in 2023, even if our other costs fall from the elevated levels of fiscal 2022. Therefore, we expect our margins will continue to be restrained during fiscal 2023.

Our management is cognizant of the current challenges facing our markets, and those affecting our customers. We have carefully formulated a strategy for fiscal 2023 which will utilize our traditional strengths. We will focus on growing our core products, such as gates and kennels, and our popular new products, including Eurofence and Lifetime Post. We also plan to offer more eco-friendly products which build upon our early success selling our popular dog waste bags. We intend to strengthen our historic sales channels such as with big-box retailers and online within North America, while increasing our efficiency and reducing our costs. Our revamped operations team is working with our upgraded technology suite and its enhanced reporting capabilities to reduce our order to cash timeline and improving our shipping by reducing costs and time to receive and deliver our products. The unexpected economic disruptions caused by the COVID pandemic are now subsiding. We believe we can now more effectively manage our business by being able to fully apply the significant strategic and operational investments we have made over the last several years.

Fiscal Years Ended August 31, 2022 and August 31, 2021

Fiscal 2022 sales totaled \$62,901,831 compared to sales of \$57,501,543 in fiscal 2021, which was an increase of \$5,400,288, or 9%. The increase in sales was primarily due to higher sales at JCC.

Gross margin declined to 21.9% from 24.6% in fiscal 2021 due to higher raw material and shipping and logistic costs.

Operating expenses increased by \$1,416,552 to \$11,823,506 from \$10,406,954 in fiscal 2021. The increase was due to higher selling, general and administrative expenses of \$4,008,166 from \$3,204,945, and an increase in wages and employee benefits, which rose to \$7,495,723 from \$6,957,730. The Company added additional personnel in specialty areas and increased wages in response to the broad wage inflation being experienced by most industries throughout the area and the United States. Depreciation and amortization increased to \$319,617 from \$244,279. Income from operations decreased to \$1,969,553 from \$3,739,692 in fiscal 2021 due to the lower gross margins and the higher costs.

Including other items, income before income taxes was \$1,581,000 in fiscal 2022 compared to \$4,424,208 in fiscal 2021.

Other items in fiscal 2022 were a loss of (\$230,034) which includes a payment of \$300,000 for the settlement of claims brought by the Association of California District Attorneys regarding the labeling and marketing of the Company's dog waste bags, and income of \$5,000 as a portion of the parking area at JCS that was formerly rented to an unrelated company for \$1,000 per month through January 2022. The Company also recorded a gain of \$64,000 in the current year related to an evaluation of its reserve for deferred tax, which was determined to be greater than its current liability. Interest expense for the Company's bank line of credit was \$163,045. Other items in fiscal 2021 were gain on extinguishment of debt of \$687,387, which was the forgiveness of the Company's PPP loans. Interest and other expenses were \$2,871. Income tax expense was \$416,877 compared to \$969,255 in fiscal 2021. The Company calculates income tax expense based on combined federal and state rates that are currently in effect.

Net income for fiscal 2022 was \$1,164,123, or \$0.33 per common share, compared to net income of \$3,454,953, or \$0.99 per common share, for fiscal 2021. Fiscal 2022 income was negatively affected by the \$300,000 legal settlement and the inventory allowance of \$800,000, which was partially offset by the \$64,000 recovery from deferred income tax. Fiscal 2021 income was positively affected by the significant one-time gain on the forgiveness of the Company's PPP loans. The weighted number of shares outstanding were 3,493,807 in fiscal 2022 and 3,486,537 in fiscal 2021.

Pet, Fencing and Other - JCC

The sales levels of certain other products, particularly gates and large kennels, declined from their elevated pandemic levels and resulted in negative year-over-year comparisons. These sales were impacted by several issues, particularly supply chain and logistic delays, and by temporary disruptions originating with some of our customers, including purchase restrictions due to inventory management decisions and buyer turnover. A number of our other products, however, recorded significant sales gains in 2022, including the recently introduced Lifetime Steel Posts® and Eurofence products. Lumber sales also increased in fiscal 2022 over the prior year. We were also successful in raising our selling prices in the current period which partially offset our higher raw material and logistic costs.

Sales at JCC were \$57,915,828 in fiscal 2022 compared to sales of \$51,732,129 in fiscal 2021. Operating income at JCC for 2022 was \$1,257,449 compared to \$4,052,624 in 2021, which was a decrease of \$2,795,175, or 69%. Significantly higher costs, including for raw materials, energy, and shipping and logistics, reduced our margins in fiscal 2022. Our 2022 results were also negatively affected by an inventory allowance of \$800,000. This allowance was partially for the inventory currently located in Europe, as management has decided to temporarily withdraw from the European market due to the difficult economic climate, and for the clearance of certain obsolete inventory.

The following table shows a breakdown between the pet, fencing and other categories in this segment.

Fiscal Year	Sales in Millions of Dollars			Percent of Total Sales		
	Pet	Fencing	Other	Pet	Fencing	Other
2022	\$19,706,515	\$38,562,319	\$ 555,758	34%	65%	1%
2021	\$16,446,932	\$33,805,909	\$1,479,288	32%	65%	3%

Industrial Wood Products - Greenwood

Sales at Greenwood in fiscal 2022 were \$2,626,209, which was a nominal increase of \$28,933 from sales of \$2,597,276 in fiscal 2021. Greenwood's sales have been heavily impacted by the COVID-19 pandemic, as many of their products are sold to municipalities and larger transit operators which continue to see reduced demand for transit services. These customers have also been severely impacted by shortages of components necessary to complete transit products due to logistics and supply chain issues. Greenwood recorded operating income of \$21,865 compared to an operating loss of (\$144,313) in fiscal 2021.

Seed Processing and Sales - JCSC

Sales at JCSC were \$2,359,794 in fiscal 2022 compared to sales of \$3,172,138 in fiscal 2021, which represents a decrease of \$812,344, or 26%. Extreme temperatures in the Pacific Northwest that occurred during last year's growing season resulted in lower harvested yields which reduced demand for JCSC's seed cleaning services. There were also delays in shipping certain grass seed orders to China during fiscal 2022 due to their COVID related border shutdowns. Results for 2022 were also negatively affected by higher equipment and facility maintenance costs. JCSC had an operating loss of (517,453) in fiscal 2022 compared to an operating loss of (\$64,538) in fiscal 2021.

Corporate – JC USA

JC USA, the holding company that provides professional and administrative services for the wholly-owned operating subsidiaries had operating income of \$819,139 in fiscal 2022 compared to operating income of \$580,435 in fiscal 2021. The increase is due to higher rental and administrative fees charged to its subsidiaries related to the inventory levels maintained throughout the year, and the one-time recovery of \$64,000 from reserves for deferred taxes. The results of JC USA are inter-company transactions and are eliminated on consolidation.⁵

LIQUIDITY AND CAPITAL RESOURCES

Fiscal Year Ended August 31, 2022

As of August 31, 2022, the Company had working capital of \$19,207,874 compared to working capital of \$19,073,194 as of August 31, 2021. The largest change affecting working capital is an increase in inventory of \$6,240,948 to \$20,632,313 from \$14,391,365. Other changes in components of working capital include a decrease in cash of \$699,850, an increase in accounts receivable of \$105,143, a decrease in prepaid expenses of \$1,193,245, and a decrease in prepaid income taxes of \$43,995. The decrease in cash is related to the increases in inventory. Prepaid expenses, which is mostly deposits paid for future inventory, declined as the Company's large current inventory position has reduced the need for additional inventory purchases in the near term.

Accounts payable rose to \$1,566,047 from \$1,349,677 which is related to the timing of payments due to suppliers. Accrued liabilities increased by \$57,951 to \$1,856,039 from \$1,798,088. Bank indebtedness, which is from the Company's line of credit and has primarily been used to acquire inventory, was \$7,000,000 as of August 31, 2022 compared to \$3,000,000 as of August 31, 2021. Deferred tax liability fell to \$Nil from \$116,945.

As of August 31, 2022, accounts receivable and inventory represented 94% of current assets and 81% of total assets. As of August 31, 2021, accounts receivable and inventory represented 85% of current assets and 74% of total assets. Our customers continue to pay on-time, with almost all of our outstanding receivables classified as current. For the fiscal year ended August 31, 2022, the accounts receivable collection period or DSO was 42 days compared to 45 days for the year ended August 31, 2021. Inventory turnover for the year ended August 31, 2022 was 130 days compared to 99 days for the year ended August 31, 2021.

Short-term and Long-term Debt

External sources of liquidity include a line of credit from U.S. Bank of \$10 million, of which \$3 million was available as of August 31, 2022. Subsequent to the end of the fiscal year, the Company has drawn an additional \$600,000. As of October 28, 2022, \$2,400,000 remains available.

Borrowing under the Line of Credit is secured by an assignment of accounts receivable and inventory. Interest was previously calculated solely on the one-month LIBOR rate plus 175 basis points. Beginning with the monthly interest payment due March 31, 2022, the Company's Bank Line of Credit agreement was revised to change the calculation of the interest rate from the one-month LIBOR rate to the one-month Secured Overnight Financing Rate (SOFR). Interest is now calculated based on the one-month SOFR plus 157 basis points, which as of August 31, 2022 was 3.86% (2.29% + 1.57%). The line of credit has certain financial covenants. The Company is in compliance with these covenants.

Current Working Capital Requirements

Based on the Company's current working capital position and the utilization of its current line of credit, the Company expects to have sufficient liquidity available to meet its working capital requirements for fiscal 2023.

OTHER MATTERS

Contractual Obligations and Commercial Commitments

The Company currently has no material contractual obligations or commercial commitments other than to suppliers of products or services.

Inflation

Inflation did not have a material impact during fiscal 2020. Beginning in fiscal 2021, a number of product costs increased substantially, including raw materials, energy, and transportation/logistical related costs.

These higher costs have negatively affected the Company's gross margins. Typically, the Company passes cost increases on to the customer, and is currently raising its product prices as much as the market will bear. Retailers are currently more receptive to such increases than in the past due to a mutual understanding of the current inflationary environment and the objective reasons for such. Since the ability of the Company to pass through all of the current increase in its product costs to its customers are somewhat limited and occur after such costs are first incurred, management expects that its gross margins will remain under pressure in fiscal 2023.

Environmental, Social and Corporate Governance (ESG)

Jewett-Cameron endeavors to be a good steward and provide sustainable products with a positive impact. We strive to operate and grow in a way that honors our environment and relationships for the long term. This also aligns with one of our three value pillars: stewardship.

Environmental

For our products, the goal is that 90% of materials can be recycled. Our suppliers are audited to strict commercial and fair practice standards, including our own supplier qualifications regarding facilities, capacity, labor practices, and environmental awareness. Packaging is designed to maximize recyclability and re-use and minimize non-recycled materials, and all waste materials in our own facilities are segregated to maximize recycling. Our facilities have replaced high energy consumption infrastructure with energy efficient HVAC and lighting during our recent remodel.

Active products and designs utilize either recycled or non-petroleum-based plastics to enhance recycling and composting. This includes the recently introduced compostable dog waste bag, a plant-based product, that is less reliant on fossil fuels used in traditional plastic bags. We also dedicate a percentage of sales to support environmental cleanup efforts.

Social

Our social responsibilities include cultural standards of operations and values which we establish in conjunction with our employees. We regularly provide employees with a corporate engagement survey to benchmark their engagement, satisfaction, and ideas for change. We support educational programs that build the future workforce through active participation in regional and statewide organizations, including the CTE/STEM Employer Coalition and assisting teachers to connect traditional school subjects to practical job site applications. The Company also actively participates in the local community, supported by a Corporate Charitable Giving Charter.

Governance

As a public company, our processes are outlined and governed by multiple regulations, including Sarbanes-Oxley. Our financial controls are mapped, executed, self-audited as well as regularly audited by outside experts as part of our annual process. We have established risk mitigations that allows for condensed reviews of risks and impacts with our systems in place. An IT Governance Committee aligns execution and security both for ourselves and also for parties with whom we communicate and do business.

Uyghur Forced Labor Prevention Act

The Uyghur Forced Labor Prevention Act (“UFLPA”) is a US Federal Law signed by President Biden in December 2021 which became effective on June 21, 2022. As enforced by U.S. Customs and Border Protection, the UFLPA prohibits any products that are made, mined, or manufactured, in part or in full, in China’s Xinjiang Uyghur Autonomous Region to be imported into the United States, as they are presumed to have been made with forced labor. Any imports of such goods will be detained and seized by U.S. Customs unless the importer is able to prove that these goods have not been made with forced labor. The Company has ensured that each of its suppliers is in full compliance with the law and none of its products fall under the prohibited goods clause.

Critical Accounting Policies

Management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On a regular basis, we evaluate our estimates and assumptions. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

During the year ended August 31, 2020, the Company adopted Topic 842, *Leases*, which was issued to replace the leases requirements in Topic 840, *Leases*. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. Topic 842 will be effective for annual reporting periods beginning after December 15, 2021, including interim periods within those annual periods and is to be retrospectively applied. Earlier application is permitted. The Company adopted this ASU on September 1, 2019. There was no material impact on the Company’s financial statements on adoption.

Other than Topic 842, the Company did not adopt any new accounting policies that would have a material impact on the consolidated financial statements, nor did it make changes to accounting policies. Senior Management has discussed with the Audit Committee the development, selection and disclosure of accounting estimates used in the preparation of the consolidated financial statements.

Recent Accounting Pronouncements

Management has reviewed the new accounting guidance and determined that there is not a material impact on our financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The Company did not have any derivative financial instruments as of August 31, 2022, and the Company does not use derivative instruments for trading purposes.

Changes in U.S. interest rates affect the interest earned on the Company’s cash as well as interest paid on debt. The Company has a line of credit with an interest rate based on published rates that may fluctuate over time based on economic changes in the environment. The Company is subject to interest rate risk and could be subject to increased interest payments if market interest rates fluctuate. The Company does not expect any change in the interest rates to have a material adverse effect on the Company’s results from operations.

Foreign Currency Risk

The Company operates primarily in the United States. However, a relatively small amount of business is conducted in currencies other than U.S. dollars. Also, to the extent that the Company uses contract manufacturers in China, currency exchange rates can influence the Company's purchasing costs.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

The financial statements and notes thereto are attached hereto. The audit report of Davidson & Company, LLP Chartered Accountants is included herein immediately preceding the audited consolidated financial statements.

Audited Consolidated Financial Statements: fiscal 2022 and 2021

Report of Independent Registered Accounting Firm dated November 28, 2022

Consolidated Balance Sheets

Balance Sheets at August 31, 2022 and August 31, 2021

Consolidated Statements of Operations

For the years ended August 31, 2022 and August 31, 2021

Consolidated Statements of Stockholders' Equity

For the years ended August 31, 2022 and August 31, 2021

Consolidated Statements of Cash Flows

For the years ended August 31, 2022 and August 31, 2021

Notes to Financial Statements

Schedule II: Valuation and Qualifying Accounts

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

AUGUST 31, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Jewett Cameron Trading Company Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Jewett Cameron Trading Company Ltd. (the "Company") as of August 31, 2022 and 2021, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended August 31, 2022 and 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended August 31, 2022 and 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenues from sales of pet, fencing, and other products

As indicated in the Company's statement of operations and in Note 12, 92% of the Company's sales in the year ended August 31, 2022 were generated through its pet, fencing and other products segment. The business consists of the manufacturing and distribution of specialty metal products and wholesale distribution of wood products to home centers and other retailers located primarily in the United States. Revenues from this segment are the most material number in the Company's consolidated financial statements. Auditing revenue from the Company's pet, fencing, and other products segment is challenging and complex due to the volume of transactions through the year and around year end. Further, the Company's revenue recognition is complex due to the terms of recognition varying by customer.

To address the matter in our audit, we obtained an understanding of the key controls to treat risk of revenue recognition, completeness, occurrence, and cut-off. We analyzed the terms and conditions of the sales contracts and evaluated whether they have been accounted for in line with the Company's revenue recognition policy. We performed substantive testing procedures over revenue transactions, agreeing key transaction inputs to customer agreements, invoices, purchase orders, shipping documents, bank statements and other relevant documents.

We have served as the Company's auditor since 1999.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

November 28, 2022



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JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
AS OF AUGUST 31

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 484,463	\$ 1,184,313
Accounts receivable, net of allowance of \$0 (August 31, 2021 - \$0)	7,191,646	7,086,503
Inventory, net of allowance of \$800,000 (August 31, 2021 - \$250,000) (note 3)	20,632,313	14,391,365
Prepaid expenses	1,112,575	2,305,820
Prepaid income taxes	208,963	252,958
Total current assets	29,629,960	25,220,959
Property, plant and equipment, net (note 4)	4,828,420	3,886,543
Intangible assets, net (note 5)	33,358	30,897
Deferred tax assets (Note 6)	24,998	-
Total assets	\$ 34,516,736	\$ 29,138,399
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,566,047	\$ 1,349,677
Bank indebtedness (note 7)	7,000,000	3,000,000
Accrued liabilities	1,856,039	1,798,088
Total current liabilities	10,422,086	6,147,765
Deferred tax liability (note 6)	-	116,945
Total liabilities	10,422,086	6,264,710
Stockholders' equity		
Capital stock (note 9, 10)		
Authorized		
21,567,564 common shares, no par value		
10,000,000 preferred shares, no par value		
Issued		
3,495,342 common shares (August 31, 2021 –3,489,161)	824,629	823,171
Additional paid-in capital	742,591	687,211
Retained earnings	22,527,430	21,363,307
Total stockholders' equity	24,094,650	22,873,689
Total liabilities and stockholders' equity	\$ 34,516,736	\$ 29,138,399
Contingency (Note 15)		
Subsequent Events (Note 16)		

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

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
YEARS ENDED AUGUST 31

	2022	2021
SALES	\$ 62,901,831	\$ 57,501,543
COST OF SALES	49,108,772	43,354,897
GROSS PROFIT	13,793,059	14,146,646
OPERATING EXPENSES		
Selling, general and administrative	4,008,166	3,204,945
Depreciation and amortization (note 4, 5)	319,617	244,279
Wages and employee benefits	7,495,723	6,957,730
	11,823,506	10,406,954
Income from operations	1,969,553	3,739,692
OTHER ITEMS		
Gain on sale of property, plant and equipment	4,526	-
Other income (loss) (note 15)	(230,034)	12,450
Interest expense	(163,045)	(15,321)
Gain on extinguishment of debt (note 8)	-	687,387
	(388,553)	684,516
Income before income taxes	1,581,000	4,424,208
Income taxes (note 6)		
Current	(558,820)	(949,262)
Deferred recovery (expense)	141,943	(19,993)
Net income for the year	\$ 1,164,123	\$ 3,454,953
Basic earnings per common share	\$ 0.33	\$ 0.99
Diluted earnings per common share	\$ 0.33	\$ 0.99
Weighted average number of common shares outstanding:		
Basic	3,493,807	3,486,537
Diluted	3,493,807	3,486,537

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

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)
YEARS ENDED AUGUST 31

Capital Stock					
	Number of Shares	Amount	Additiona l paid-in capital	Retained earnings	Total
August 31, 2020	3,481,162	\$ 821,284	\$ 618,707	\$ 17,908,354	\$ 19,348,345
Shares issued pursuant to compensation plans (note 10)	7,999	1,887	68,504	-	70,391
Net Income	-	-	-	3,454,953	3,454,953
August 31, 2021	3,489,161	823,171	687,211	21,363,307	22,873,689
Shares issued pursuant to compensation plans (note 10)	6,181	1,458	55,380	-	56,838
Net Income	-	-	-	1,164,123	1,164,123
August 31, 2022	3,495,342	\$ 824,629	\$ 742,591	\$ 22,527,430	\$ 24,094,650

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

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
YEARS ENDED AUGUST 31

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 1,164,123	\$ 3,454,953
Items not affecting cash:		
Depreciation and amortization	319,617	244,279
Stock-based compensation expense	56,838	70,391
(Gain) on sale of property, plant and equipment	(4,526)	-
Gain on extinguishment of debt	-	(680,707)
Deferred income taxes	(141,943)	19,993
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(105,143)	(812,077)
(Increase) in inventory	(6,240,948)	(5,193,219)
Decrease (increase) in prepaid expenses	1,193,245	(1,269,692)
Decrease (increase) in prepaid income taxes	43,995	(252,959)
Increase in accounts payable and accrued liabilities	274,321	36,404
(Decrease) in income taxes payable	-	(40,596)
Net cash (used by) operating activities	<u>(3,440,421)</u>	<u>(4,423,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in intangible assets	(3,535)	(30,755)
Purchase of property, plant and equipment	<u>(1,255,894)</u>	<u>(1,162,739)</u>
Net cash used in investing activities	<u>(1,259,429)</u>	<u>(1,193,494)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank indebtedness	<u>4,000,000</u>	<u>3,000,000</u>
Net cash provided by financing activities	<u>4,000,000</u>	<u>3,000,000</u>
Net (decrease) in cash	(699,850)	(2,616,724)
Cash, beginning of year	<u>1,184,313</u>	<u>3,801,037</u>
Cash, end of year	<u>\$ 484,463</u>	<u>\$ 1,184,313</u>

Supplemental disclosure with respect to cash flows (note 14)

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

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

1. NATURE OF OPERATIONS

Jewett-Cameron Trading Company Ltd. was incorporated in British Columbia on July 8, 1987 as a holding company for Jewett-Cameron Lumber Corporation (“JCLC”), incorporated September 1953. Jewett-Cameron Trading Company, Ltd. acquired all the shares of JCLC through a stock-for-stock exchange on July 13, 1987, and at that time JCLC became a wholly owned subsidiary. Effective September 1, 2013, the Company reorganized certain of its subsidiaries. JCLC’s name was changed to JC USA Inc. (“JC USA”), and a new subsidiary, Jewett-Cameron Company (“JCC”), was incorporated.

JC USA has the following wholly owned subsidiaries incorporated under the laws of the State of Oregon: Jewett-Cameron Seed Company, (“JCSC”), incorporated October 2000, Greenwood Products, Inc. (“Greenwood”), incorporated February 2002, and Jewett-Cameron Company, incorporated September 2013. Former wholly owned subsidiary MSI-PRO was wound-up and dissolved in fiscal 2020. Jewett-Cameron Trading Company Ltd. and its subsidiaries (the “Company”) have no significant assets in Canada.

The Company, through its subsidiaries, operates out of facilities located in North Plains, Oregon. JCC’s business consists of the manufacturing and distribution of pet, fencing and other products, wholesale distribution to home centers, other retailers, on-line as well as direct to end consumers located primarily in the United States. Greenwood is a processor and distributor of industrial wood and other specialty building products principally to customers in the marine and transportation industries in the United States. JCSC is a processor and distributor of agricultural seeds in the United States. MSI was an importer and distributor of pneumatic air tools and industrial clamps in the United States. JC USA provides professional and administrative services, including accounting and credit services, to its subsidiary companies.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, affected the Company’s operations including delays in inventory production and shipping, a change of product mix based on customer demand to fencing, pet and DIY products, an increase in demand from online sales channels, and costs associated with compliance with COVID-19 control protocols. The Company’s operations, including inventory production and sales, have been excluded from business restrictions within the jurisdictions that the Company operates. However, due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company’s business, financial position, and operating results in the future. In addition, it is possible that estimates in the Company’s consolidated financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material, which could result in, among other things valuation of inventory and collectability of accounts receivable. The Company continues to closely monitor the impact of the pandemic on all aspects of its business.

2. SIGNIFICANT ACCOUNTING POLICIES

Generally accepted accounting principles

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its current wholly owned subsidiaries, JC USA, JCC, JCSC, and Greenwood, all of which are incorporated under the laws of Oregon, U.S.A.

All inter-company balances and transactions have been eliminated upon consolidation.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates incorporated into the Company's consolidated financial statements include the estimated useful lives for depreciable and amortizable assets, the estimated allowances for doubtful accounts receivable and inventory obsolescence, possible product liability and possible product returns, and litigation contingencies and claims. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. At August 31, 2022, cash and cash equivalents were \$484,463 compared to \$1,184,313 at August 31, 2021.

Accounts receivable

Trade and other accounts receivable are reported at face value less any provisions for uncollectible accounts considered necessary. Accounts receivable primarily includes trade receivables from customers. The Company estimates doubtful accounts on an item-by-item basis and includes over aged accounts as part of allowance for doubtful accounts, which are generally ones that are ninety days or greater overdue.

The Company extends credit to domestic customers and offers discounts for early payment. When extension of credit is not advisable, the Company relies on either prepayment or a letter of credit.

Inventory

Inventory, which consists primarily of finished goods, is recorded at the lower of cost, based on the average cost method, and market. Market is defined as net realizable value. An allowance for potential non-saleable inventory due to excess stock or obsolescence is based upon a review of inventory components.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. The Company provides for depreciation over the estimated life of each asset on a straight-line basis over the following periods:

Office equipment	3-7 years
Warehouse equipment	2-10 years
Buildings	5-30 years

Intangibles

The Company's intangible assets have a finite life and are recorded at cost. Amortization is calculated using the straight-line method over the remaining life of the asset. The intangible assets are reviewed annually for impairment.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Asset retirement obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and normal use of the long-lived assets. The Company also records a corresponding asset which is amortized over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost). The Company does not have any significant asset retirement obligations.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less costs to sell.

Currency and foreign exchange

These financial statements are expressed in U.S. dollars as the Company's operations are primarily based in the United States.

The Company does not have non-monetary or monetary assets and liabilities that are in a currency other than the U.S. dollar. Any statement of operations transactions in a foreign currency are translated at rates that approximate those in effect at the time of translation. Gains and losses from translation of foreign currency transactions into U.S. dollars are included in current results of operations.

Earnings per share

Basic earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per common share takes into consideration common shares outstanding (computed under basic earnings per share) and potentially dilutive common shares.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Earnings per share (cont'd...)

The earnings per share data for the fiscal years ended August 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Net income	\$ 1,164,123	\$ 3,454,953
Basic weighted average number of common shares outstanding	3,493,807	3,486,537
Effect of dilutive securities		
Stock options	-	-
Diluted weighted average number of common shares outstanding	3,493,807	3,486,537
<u>Basic and diluted earnings per common share</u>	<u>\$ 0.33</u>	<u>\$ 0.99</u>

Comprehensive income

The Company has no items of other comprehensive income in any year presented. Therefore, net income presented in the consolidated statements of operations equals comprehensive income.

Stock-based compensation

All stock-based compensation is recognized as an expense in the financial statements and such costs are measured at the fair value of the award.

Financial instruments

The Company uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash - the carrying amount approximates fair value because the amounts consist of cash held at a bank and cash held in short term investment accounts.

Accounts receivable - the carrying amounts approximate fair value due to the short-term nature and historical collectability.

Bank Indebtedness - the carrying amount approximates fair value due to the short-term nature of the obligations.

Accounts payable and accrued liabilities - the carrying amount approximates fair value due to the short-term nature of the obligations.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

The estimated fair values of the Company's financial instruments as of August 31, 2022 and 2021 follows:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 484,463	\$ 484,463	\$1,184,313	\$1,184,313
Accounts receivable, net of allowance	7,191,646	7,191,646	7,086,503	7,086,503
Accounts payable and accrued liabilities	3,422,086	3,422,086	3,147,765	3,147,765
Bank Indebtedness	7,000,000	7,000,000	3,000,000	3,000,000

The following table presents information about the assets that are measured at fair value on a recurring basis as of August 31, 2022 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	August 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	\$ 484,463	\$ 484,463	\$ —	\$ —

The fair values of cash are determined through market, observable and corroborated sources.

Income taxes

A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Shipping and handling costs

The Company incurs certain expenses related to preparing, packaging and shipping its products to its customers, mainly third-party transportation fees. All costs related to these activities are included as a component of cost of sales in the consolidated statements of operations. All costs billed to the customer are included as sales in the consolidated statements of operations.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Revenue recognition**

The Company recognizes revenue from the sales of lumber, building supply products, industrial wood products, specialty metal products, and other specialty products and tools, when the products are shipped, title passes, and the ultimate collection is reasonably assured. Revenue from the Company's seed operations is generated from seed processing, handling and storage services provided to seed growers, and by the sales of seed products. Revenue from the provision of these services and products is recognized when the services have been performed, products sold and collection of the amounts is reasonably assured.

3. INVENTORY

A summary of inventory as of August 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Wood products and metal products	\$ 20,130,063	\$ 14,257,609
Agricultural seed products	502,250	133,756
	<u>\$ 20,632,313</u>	<u>\$ 14,391,365</u>

4. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant, and equipment as of August 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 636,501	\$ 551,569
Warehouse equipment	1,504,867	1,385,330
Buildings	6,168,080	5,112,129
Land	559,065	559,065
	<u>8,868,513</u>	<u>7,608,093</u>
Accumulated depreciation	<u>(4,040,093)</u>	<u>(3,721,550)</u>
Net book value	<u>\$ 4,828,420</u>	<u>\$ 3,886,543</u>

In the event that facts and circumstances indicate that the carrying amount of an asset may not be recoverable and an estimate of future discounted cash flows is less than the carrying amount of the asset, an impairment loss will be recognized. Management's estimates of revenues, operating expenses, and operating capital are subject to certain risks and uncertainties which may affect the recoverability of the Company's investments in its assets. Although management has made its best estimate of these factors based on current conditions, it is possible that changes could occur which could adversely affect management's estimate of the net cash flow expected to be generated from its operations.

5. INTANGIBLE ASSETS

A summary of intangible assets as of August 31, 2022 and 2021 follows:

	<u>2022</u>	<u>2021</u>
Intangible assets	50,695	47,160
Accumulated amortization	<u>(17,337)</u>	<u>(16,263)</u>
Net book value	<u>\$ 33,358</u>	<u>\$ 30,897</u>

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

6. INCOME TAXES

A reconciliation of the provision for income taxes with amounts determined by applying the statutory U.S. federal income tax rate to income before income taxes is as follows:

	<u>2022</u>	<u>2021</u>
Computed tax at the federal statutory rate	\$ 391,259	\$ 928,062
State taxes, net of federal benefit	172,074	204,632
Depreciation	-	(47,828)
Inventory reserve	-	3,665
Other	(4,513)	(139,269)
Provision for income taxes	\$ 558,820	\$ 949,262
Current income taxes	\$ 558,820	\$ 949,262
Deferred income taxes	(141,943)	19,993
	<u>\$ 416,877</u>	<u>\$ 969,255</u>

Deferred income tax asset as of August 31, 2022 of \$24,998 (August 31, 2021 – liability of \$116,945) reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

	<u>2022</u>	<u>2021</u>
Deferred tax assets:		
Allowance for inventory	\$ 273,618	\$ 97,678
Allowance for bad debts	-	-
Difference between book and tax depreciation	(150,942)	(113,421)
Total deferred tax assets	122,676	(15,743)
Valuation allowance	-	-
Net deferred tax assets	122,676	(15,743)
Net deferred tax liability	(97,678)	(101,202)
Combined net deferred tax asset (liability)	\$ 24,998	\$ (116,945)

7. BANK INDEBTEDNESS

Bank indebtedness under the Company's \$10,000,000 line of credit as of August 31, 2022 was \$7,000,000 (August 31, 2021 - \$3,000,000). The Line of Credit was increased during the current fiscal year from \$5,000,000 to \$10,000,000.

Bank indebtedness, when it exists, is secured by an assignment of accounts receivable and inventory. Interest was previously calculated solely on the one-month LIBOR rate plus 175 basis points. Beginning with the monthly interest payment due March 31, 2022, the Company's Bank Line of Credit agreement was revised to change the calculation of the interest rate from the one-month LIBOR rate to the one-month Secured Overnight Financing Rate (SOFR). Interest is now calculated based on the one-month SOFR plus 157 basis points, which as of August 31, 2022 was 3.85% (2.28% + 1.57%).

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

8. NOTES PAYABLE

On May 4, 2020, the Company entered into loan agreements with U.S. Bank (the “Lender”) for two unsecured loans represented by promissory notes (the “Notes”). The loans were made pursuant to the Paycheck Protection Program (the “PPP”) as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) administered by the U.S. Small Business Administration (“SBA”).

The first loan was made to JCC for \$487,127 and the second loan was made to JC USA for \$193,580. The total principal amount of the two notes is \$680,707. They have a term of 2 years with a 1% annual interest rate. Payments were originally deferred for 6 months, after which the repayment of principal and interest is required to be made in equal monthly payments over 18 months beginning December 4, 2020. However, the SBA subsequently revised the due date to either the date that SBA remits the borrower’s loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower’s loan forgiveness covered period. There is no prepayment penalty. If proceeds are used for qualifying expenses as defined by the CARES Act, including payroll costs, health care benefits, rent and utilities, the Company can apply for forgiveness after 60 days of all or any portion of the promissory note used for such qualifying expenses.

The Company has chosen to account for the loans under FASB ASC 470. Repayment amounts due within 1 year have been recorded as current liabilities, and the remaining amounts due in more than 1 year as long-term liabilities. If the Company is successful in receiving forgiveness for those portions of the loan used for qualifying expenses, those amounts will be recorded as a gain upon extinguishment.

During fiscal 2021 ended August 31, 2021, the Company’s applications for loan forgiveness of both loans was approved by the SBA. The Company has recorded a gain of extinguishment of debt of \$687,387 consisting of \$680,707 of principal and \$6,680 of interest.

9. CAPITAL STOCK

Common stock

Holders of common stock are entitled to one vote for each share held. There are no restrictions that limit the Company’s ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation.

10. RESTRICTED SHARE PLAN

The Company has a Restricted Share Plan (the “Plan”) as approved by shareholders on February 8, 2019. The Plan allows the Company to grant, from time to time, restricted shares as compensation to directors, officers, employees and consultants of the Company. The Restricted Shares are subject to restrictions, including the period under which the shares will be restricted (the “Restricted Period”) and subject to forfeiture which is determined by the Board at the time of the grant. The recipient of Restricted Shares is entitled to all of the rights of a shareholder, including the right to vote such shares and the right to receive any dividends, except that the shares granted under the Plan are nontransferable during the Restricted Period.

The maximum number of Common Shares reserved for issuance under the Plan will not exceed 1% of the then issued and outstanding number of Common Shares at the time of the grant. As of August 31, 2021, the maximum number of shares available to be issued under the Plan was 31,713.

During the second quarter of fiscal 2021 ended February 28, 2021, the Board of Directors set the compensation for members of the Board under the Plan. Non-executive directors will be granted 25 common shares for each quarter of service, with the cumulative amount of shares earned each fiscal year to be granted shortly after the close of that fiscal year. Non-executive Directors also received a one-time initial grant of 225 common shares which were issued in December 2020.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

10. RESTRICTED SHARE PLAN (continued)

During fiscal 2021 ended August 31, 2021, the Company issued 7,999 common shares to Officers, Directors and Employees under the RSA Plan at a deemed price of \$8.80 per share. 6,564 of these shares were issued to Officers and Directors without a Restricted Period under the Company's S-8 Registration Statement filed on December 7, 2020. The remaining 1,435 shares were issued to Employees and have a three-year Restricted Period.

During fiscal 2022 ended August 31, 2022, the Company made three issuances of common shares under the RSA Plan. Under the first issuance, a total of 2,603 common shares were issued to Officers, Directors and Employees at a deemed price of \$10.70 per share. 2,015 of these shares were issued to Officers and Directors without a Restricted Period under the Company's S-8 Registration Statement filed on December 7, 2020. The remaining 588 shares were issued to Employees and have a three-year Restricted Period. Under the second issuance, 2,500 common shares were issued to the Company's Chief Executive Officer at a deemed price of \$7.80 per share. These 2,500 common shares were issued without a Restricted Period under the Company's S-8 Registration Statement. 1,078 shares were issued at a deemed price of \$8.80 per share as the second year's allocation of shares to employees who were granted shares in a three-year vesting period beginning in fiscal 2021.

11. PENSION AND PROFIT-SHARING PLANS

The Company has a deferred compensation 401(k) plan for all employees with at least 6 months of service pending a monthly enrolment time. The plan allows for a non-elective discretionary contribution plus matching employee contributions up to a specific limit. The percentages of contribution remain the discretion of the Board and are reviewed with management annually. For the years ended August 31, 2022 and 2021 the 401(k) compensation expense was \$516,991 and \$530,311, respectively.

12. SEGMENT INFORMATION

The Company has three principal reportable segments. These reportable segments were determined based on the nature of the products offered. Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company evaluates performance based on several factors, of which the primary financial measure is business segment income before taxes. The following tables show the operations of the Company's reportable segments.

Following is a summary of segmented information for the years ended August 31:

	2022	2021
Sales to unaffiliated customers:		
Industrial wood products	\$ 2,626,209	\$ 2,597,276
Pet, Fencing and Other	57,915,828	51,732,129
Seed processing and sales	2,359,794	3,172,138
	<u>\$ 62,901,831</u>	<u>\$ 57,501,543</u>
Income (loss) before income taxes:		
Industrial wood products	\$ 21,865	\$ (144,313)
Pet, Fencing and Other	1,257,449	4,052,624
Seed processing and sales	(517,453)	(64,538)
Corporate and administrative	819,139	580,435
	<u>\$ 1,581,000</u>	<u>\$ 4,424,208</u>

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)

12. SEGMENT INFORMATION (continued)

	2022	2021
Identifiable assets:		
Industrial wood products	\$ 1,012,019	\$ 754,357
Pet, Fencing and Other	27,152,959	22,658,829
Seed processing and sales	471,003	223,443
Corporate and administrative	5,880,755	5,501,770
	<u>\$ 34,516,736</u>	<u>\$ 29,138,399</u>
Depreciation and amortization:		
Industrial wood products	\$ -	\$ -
Pet, Fencing and Other	39,200	39,313
Seed processing and sales	6,347	6,347
Corporate and administrative	274,070	198,619
	<u>\$ 319,617</u>	<u>\$ 244,279</u>
Capital expenditures:		
Industrial wood products	\$ -	\$ -
Pet, Fencing and Other	-	-
Seed processing and sales	-	-
Corporate and administrative	1,259,429	1,193,494
	<u>\$ 1,259,429</u>	<u>\$ 1,193,494</u>
Interest expense:	\$ 163,045	\$ 15,321

The following table lists sales made by the Company to customers which were in excess of 10% of total sales for the years ended August 31:

	2022	2021
Sales	\$ 33,010,410	\$ 29,806,021

The Company conducts business primarily in the United States, but also has limited amounts of sales in foreign countries. The following table lists sales by country for the fiscal years ended August 31:

	2022	2021
United States	\$ 60,521,611	\$ 55,280,479
Canada	1,151,901	1,556,359
Mexico/Latin America/Caribbean	900,941	325,648
Europe	94,630	171,254
Asia/Pacific	232,748	167,803
	<u>\$ 62,901,831</u>	<u>\$ 57,501,543</u>

All of the Company's significant identifiable assets were located in the United States as of August 31, 2022 and 2021.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

13. CONCENTRATIONS

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with a high quality financial institution. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated geographically in the United States amongst a small number of customers.

At August 31, 2022, three customers accounted for accounts receivable greater than 10% of accounts receivable for a total of 64%. At August 31, 2021, three customers accounted for accounts receivable greater than 10% of total accounts receivable for a total of 67%. The Company controls credit risk through credit approvals, credit limits, credit insurance and monitoring procedures. The Company performs credit evaluations of its commercial customers but generally does not require collateral to support accounts receivable.

Volume of business

The Company has concentrations in the volume of purchases it conducts with its suppliers. For the fiscal year ended August 31, 2022, there were two suppliers which each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to \$26,817,775. For the fiscal year ended August 31, 2021, there were three suppliers which each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to \$25,082,956.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Certain cash payments for the years ended August 31, 2022 and 2021 are summarized as follows:

	2022		2021	
Cash paid during the year for:				
Interest	\$	163,045	\$	8,640
Income taxes	\$	227,946	\$	1,228,299

There were no non-cash investing or financing activities during the years presented.

15. CONTINGENT LIABILITIES AND COMMITMENTS

- a) An association of District Attorneys in the State of California contacted the Company in regards to their investigation into the environmental labeling and marketing of dog waste bags. The District Attorneys claim that labeling certain dog waste bags, including the Company's, as biodegradable or compostable is misleading due to the lack of industrial composting facilities that accept dog waste. During the year ended August 31, 2022, the Company entered into a final settlement agreement which resulted in a \$300,000 fine to the Company paid over a four-month period with no admission of guilt by the Company.
- b) The Company was one of three named defendants in a Civil Action in Pennsylvania. The matter was an action seeking compensation for personal injuries and is based on theories of product liability as to the Company. The matter arises out of a dog allegedly escaping from a Jewett-Cameron kennel product and causing personal injuries to three individuals. The Company's applicable liability insurer provided the defense covering the Company's legal fees and costs. During the fiscal year ended August 31, 2022, the case was settled within the Company's insurance policy limits with no admission of guilt by the Company, and there were no additional costs incurred.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

15. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

- c) The Company has initiated arbitration against a former distributor asserting a breach of the distribution agreement and seeking damages. Arbitration is scheduled to commence during the 4th quarter of calendar 2022. While the company is robustly pursuing its rights and defending itself against claims, the arbitration and lawsuit are in their initial stages and therefore it is speculative to predict as to its outcome.

16. SUBSEQUENT EVENTS

- a) In November 2022, the Company granted 3,557 common shares valued at \$23,303 to Officers, Directors and Employees under the Company's Restricted Share Plan. 500 shares were granted to Directors without a Restricted Period under the Company's S-8 Registration Statement. 3,057 common shares were granted to Officers and Employees and have a Restricted Period.

JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENT SCHEDULE
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
AUGUST 31, 2022

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions Credited to Costs and Expenses	Deductions From Reserves	Balance at End of Year
August 31, 2022					
Allowance deducted from related Balance sheet account:					
Inventory	\$ 250,000	\$ 557,946	\$ -	\$ 7,946	\$ 800,000
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
August 31, 2021					
Allowance deducted from related Balance sheet account:					
Inventory	\$ 65,000	\$ 394,299	\$ -	\$ 209,299	\$ 250,000
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

--- No Disclosure Necessary ---

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Principal Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”). Based on that evaluation our Chief Executive Officer and Principal Financial Officer have concluded that as of the end of the period covered by this report our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized, and reported in a timely manner, and (2) accumulated and communicated to our management including our Chief Executive Officer and Principal Financial Officer as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under supervision and with the participation of our management including our Chief Executive Officer and Principal Financial Officer we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation our management concluded that our internal control over financial reporting was effective as of August 31, 2022.

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management’s report in this Annual Report on Form 10-K.

Changes in Internal Controls

There has been no change in our internal control over financial reporting that occurred during our most recent fiscal year that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

--- No Disclosure Necessary ---

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

--- No Disclosure Necessary ---

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Table No. 4 lists as of November 21, 2022 the names of the Directors of the Company. The Directors will serve until the next Annual Shareholders' Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company. All of the Directors are citizens of the United States.

Table No. 4
Directors

Name	Age	Date First Elected Or Appointed
Geoff Guilfooy (1) (2)	72	August 2019
Charles Hopewell	66	February 2017
Sarah Johnson (1) (2) (3)	43	July 2017
Chris Karlin (1) (2)	61	December 2018
Michael C. Nasser	76	May 2019
Chad Summers	48	November 2022
Michelle Walker (3)	48	July 2021

- (1) Member of Audit Committee.
- (2) Member of Compensation Committee.
- (3) Member of Governance Committee.

Table No. 5 lists, as of November 21, 2022, the names of the executive officers of the Company. The executive officers serve at the pleasure of the Board of Directors. All executive officers are residents and citizens of the United States and spend 100% of their time on the affairs of the Company.

Table No. 5
Executive Officers

Name	Position	Age	Date of Board Approval
Chad Summers	Chief Executive Officer	48	January 2022
Mitch Van Domelen	Chief Financial Officer	41	January 2022
Michael C. Nasser	Corporate Secretary	76	July 1987

Family Relationships/Other Relationships/Arrangements

There are no arrangements or understandings between any two or more directors or executive officers, pursuant to which he/she was selected as a director or executive officer. There are no family relationships, material arrangements or understandings between any two or more directors or executive officers.

Written Management Agreements

--- No Disclosure Necessary ---

Business Experience

Chad Summers originally joined the Company in October 2019. He was appointed President in May 2021, CEO in January 2022, and was named a Director in November 2022. His prior experience includes participation in start-up ventures in both product and service industries and has a strong background in leadership, consulting, and support. He co-owned and led an international lumber brokering business similar to Jewett-Cameron's Greenwood division. This experience provided him the opportunity to oversee and actively manage suppliers in China and throughout SE Asia. He also built a successful consulting practice dedicated to growing manufacturers in association with a west coast regional accounting firm which allowed him the opportunity to establish a deep network of manufacturers, professional services and support connections regionally.

Mitch Van Domelen is a Certified Public Accountant who joined Jewett-Cameron in July 2017 as Controller and was appointed Chief Financial Officer in January 2022. Mr. Van Domelen has extensive experience in finance and financial reporting for both public and private companies. Prior to joining Jewett-Cameron, he served as Controller for a national beverage brand where he managed the financial processes and full-cycle accounting for the company and its nine brewpub locations. From 2007 to 2012 he worked in public accounting at a large regional public accounting firm in Lake Oswego, Oregon, auditing both public and private companies. From 2005 to 2007, he served as a Sarbanes-Oxley (SOX) compliance consultant for SEC registrants in the Portland metro area, testing their compliance in both US and International regions. He holds a bachelor's degree in Business Administration from Southern Oregon University. He is a licensed CPA in the State of Oregon and is a member of the Oregon Society of CPA's

Charles E. Hopewell has over 35 years of experience in senior management positions with manufacturing companies, including serving as CEO of Sunset Manufacturing Inc, Neilsen Manufacturing Inc, and COO of Aluminite Corporation. In his past positions as COO or CEO, he has been involved in all organizational aspects, including sales and marketing, plant and equipment, personnel, and finance. He received a degree in Finance from the University of Oregon and an MBA from Willamette University's Atkinson Graduate School of Management. Mr. Hopewell has also worked extensively in local and statewide workforce policy and K-12 CTE education at a Board level.

Michael C. Nasser has over 40 years of experience in sales and sales management and has worked in this capacity for the Company since its inception. Prior to this he worked for companies including Sunrise Forest Products and Oregon Pacific Industries. Mr. Nasser is a graduate of Portland State University.

Geoff Guilfoy is a management consultant with over 41 years of experience, including over 21 years in management consulting, 17 years in State Government management, and an additional 4 years in the private and non-profit sectors. Prior to founding Lumen Leaders LLC in 2013, he was the partner in charge of the management consulting group at AKT LLP, a regional CPA and business consulting firm. For 28 years, he was an Executive Professor at Willamette University's Atkinson Graduate School of Management teaching courses on management consulting, nonprofit management, and government. He currently serves on the Board of Directors of Medical Teams International. He is also a former National Board Member of the Institute of Management Consultants USA and a former Board Member of CoServe International. He has a Bachelor of Science, Management (Accounting) from San Jose State University and an MBA from Willamette University.

Sarah Johnson has significant experience in supply chain management and best practices, including the planning and implementation of improvements to both the manufacturing and supply processes. She is currently Global Raw Materials Planning Manager at Columbia Sportswear. Previously, she served as the Global Buying Manager and as a Business Process Analyst and Senior Global Buyer at Columbia, which included working with International vendors, principally in Asia and Canada. Ms. Johnson is a graduate of Gonzaga University in Spokane, Washington.

Chris Karlin is a retired banker who began his banking career in 1980. He served as the Senior Vice President and Manager of U.S. Bank's National Government Banking Division from 2005 to 2014 and was responsible for the strategic vision of the group. He joined U.S. Bank in 1993 as a Relationship Manager in the National Corporate Division. He has also served as a Regional Manager for the Treasury Management Division in Minneapolis. Prior to joining U.S. Bank, Chris was with Mitsubishi Bank, serving as Group Manager in its Chicago and Columbus offices, focusing on public finance and large corporate markets. Chris is a past Chair of the Oregon Bankers Association (OBA), serves as the Adviser for its Leadership Program and serves on the Board of the OBA's Education Foundation. Chris has degrees in Economics and Finance from Fort Hays State University (Kansas) and a Master of International Management from the Thunderbird School of International Management (Arizona).

Michelle Walker is a business strategist in Portland with experience in brand development, organizational alignment, and building consumer brands, including both B2B and B2C businesses. Previously, she was CEO of Sock It to Me, Inc., a sock and underwear brand. She also held several senior positions with PepsiCo, including Senior Director and GM of the Lays and Ruffles brands where her responsibility included business strategy, brand positioning, product development, and sales strategy. Prior to joining PepsiCo, she was a Senior Consultant in Valuation Services with PricewaterhouseCoopers where she led business analysis and valuations for both business clients and Real Estate Investment Trusts. She received her bachelor's degree in Economics and Psychology from the University of California, San Diego, and an MBA from the University of Texas McComb School of Business.

Involvement in Certain Legal Proceedings

There have been no events during the last five years that are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person including:

- 1) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- 2) Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations/other minor offenses);
- 3) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities or banking activities; and
- 4) Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Audit Committee Financial Expert

Geoff Guilfooy serves as the Audit Committee Chair and has been designated as the financial expert given his extensive background in oversight, financial budgeting and reporting and strategic consultation. Mr. Guilfooy is independent as that term is used in Section 240.14a-101 under the Exchange Act and as defined under NSADAQ Rule 4200(a)(15).

Audit Committees

The Company has an Audit Committee, which recommends to the board of directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company. The board of directors, in light of the increased responsibilities placed on the Audit Committee during 2002 by the Sarbanes-Oxley Act and the SEC, adopted an Amended and Restated Charter in late 2002.

The Audit Committee is directly responsible for the appointment, compensation and oversight of auditors; and concerns about accounting and auditing matters; and has the authority to engage independent counsel and other outside advisors.

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals required by this policy / procedure. The decisions of any Audit Committee member to whom authority is delegated to pre-approve a service shall be presented to the Audit Committee at its next scheduled meeting.

In accordance with the requirements of the U.S. Sarbanes-Oxley Act of 2002 and rules issued by the Securities and Exchange Commission, the Company introduced a procedure for the review and pre-approval of any services performed by Davidson & Company, LLP Chartered Accountants, including audit services, audit related services, tax services and other services. The procedure requires that all proposed engagements of Davidson & Company, LLP Chartered Accountants for audit and permitted non-audit services are submitted to the Audit Committee for approval prior to the beginning of any such services.

The current members of the Audit Committee are Geoff Guilfooy (Chair), Sarah Johnson, and Chris Karlin. All members of the Audit Committee are "independent" within the meaning of the regulations from the SEC regarding audit committee membership. The Audit Committee met four times in fiscal 2022 and six times in fiscal 2021.

Compensation Committee

The Company has a Compensation Committee which recommends to the Board of Directors on compensation matters for the Company, including compensation plans and benefits of executive officers and directors. This includes determining the compensation for senior management, the form and amounts of Director compensation, the size and recipients of bonuses, and equity incentive plans, including the grant of options and other awards. The Committee will also recommend executive appointments and complete annual performance evaluations of the Chief Executive Officer and Chief Financial Officer. The Committee also advises on succession plan matters and has the authority to retain outside advisors or consultants.

The Committee operates under a written charter, which requires the Committee to consist of at least three members appointed by the Board. The members shall be independent directors, and the Board will designate one member as Chairman of the Committee. The Committee shall meet a minimum of one time per year.

Current members of the Compensation Committee are Chris Karlin (Chair), Sarah Johnson, and Geoff Guilfooy. The Committee met two times in fiscal 2022 and three times in fiscal 2021.

Governance Committee

The Company has a Governance Committee which devises and recommends to the Board of Directors on governance matters for the Company, including corporate governance policies and the composition and policies of the Board of Directors. The Committee is also tasked with monitoring compliance with these policies once adopted. These include policies that reflect best practices for sound governance, conflict of interest, and environmental and social (ESG) policies. The Committee is also responsible for policies related to Board Director service, including evaluating the current composition of the Board including the necessary diversity, experience, skills and judgment to meet the current and future needs of the Company. It will make recommendations for committee members and chairs and evaluate each individual director for continued service. If it is determined that additional directors are required, the Committee will identify, recruit and interview candidates and make nominations of qualified candidates to the Board

The Committee operates under a written charter, which requires the Committee to consist of at least two independent members appointed by the Board, with one member designated as Chairman of the Committee. A member appointed by the Board shall be a member of the Committee until replaced by the Board and/or until his or her resignation. The Committee may request or engage a non-Independent Director only for purposes of advice/counsel and such non-Independent Director will not have any voting rights within the Committee.

Current members of the Governance Committee are Michelle Walker (Chair) and Sarah Johnson, The Committee met three times in fiscal 2022.

Compliance with Section 16(a) of the Exchange Act

The Company has reviewed the Forms 3 and 4 furnished to the Company under Rule 16a-3(e) of the Securities Exchange Act during the most recent fiscal year and the Forms 5 furnished to the Company with respect to its most recent fiscal year, as well as any written representations received by the Company from persons required to file such forms. Management has determined there were five Form 4 reports for Directors related to the fiscal 2021 RSA grants, and two Form 3 reports for newly appointed Officers that failed to be filed on a timely basis, as required by Section 16(a) of the Securities Exchange Act during the most recent fiscal year.

Code of Ethics

The Company has a written “code of ethics” that meets the United States' Sarbanes-Oxley standards. The code is posted on the Company’s website.

Limitation of Liability and Indemnification

Our certificate of incorporation limits the personal liability of our board members for breaches by them of their fiduciary duties. Our bylaws also require us to indemnify our directors and officers to the fullest extent permitted by British Columbia law. British Columbia law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for any of the following acts:

- a. any breach of their duty of loyalty to the Company or its stockholders;

- b. acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- c. unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions; and
- d. any transaction from which the director derived an improper personal benefit.

Such limitation of liability may not apply to liabilities arising under the federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission. In addition, British Columbia laws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in such capacity, regardless of whether indemnification would be permitted under British Columbia law. We currently maintain liability insurance for our directors and executive officers.

Among other things, this will provide for indemnification of our directors and executive officers for certain expenses (including attorneys' fees), judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of the Company, arising out of such person's services as a director or executive officer of ours, any subsidiary of ours or any other company or enterprise to which the person provided services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

ITEM 11. EXECUTIVE COMPENSATION

Table No. 6 details compensation paid or accrued for fiscal 2022, 2021 and 2020 for the Company's chief executive officer, each of the Company's most highly compensated executive officers who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$100,000 per year.

Name and Principal Position	Fiscal Year	Annual Compensation			Long-term Compensation Awards		Securities Underlying Options/SARS (#)		Payouts	
		Salary	Bonus	Other Annual Comp.	Restricted Stock Awards		LTIP Payouts	All Other Comp. ⁽¹⁾		
Chad Summers, Chief Executive Officer	2022	\$ 266,667	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,100	
Charles Hopewell, Former Chief Executive Officer ⁽²⁾	2022	\$ 120,781	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,600	
	2021	\$ 266,666	\$ 87,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,600	
	2020	\$ 250,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,600	
Mitch Van Domelen, Chief Financial Officer	2022	\$ 167,229	\$ 45,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,106	
Michael Nasser, Corporate Secretary	2022	\$ 198,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	
	2021	\$ 198,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	
	2020	\$ 187,500	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,850	

(1) "All Other Compensation" relates to the Company's 401K contributions for each individual.

(2) Mr. Hopewell served as Chief Executive Officer until December 31, 2021.

The Company has the same 401(k) Plan for executives as for all employees: it is a dollar-for-dollar match on 10% of eligible compensation, and a non-elective discretionary contribution based on the first \$45,000 of eligible compensation which was changed beginning in 2020 from only a non-elective discretionary contribution based on the first \$45,000 of eligible compensation.

Other than participation in the Company's Restricted Share Plan and 401(k), no funds were set aside or accrued during fiscal 2022 to provide pension, retirement or similar benefits for directors or executive officers.

The Company has no plans or arrangements with respect to remuneration received or that may be received by executive officers of the Company to compensate such executive officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

No executive officer or director received other compensation in excess of the lesser of \$25,000 or 10% of such officer's cash compensation, and all executive officers or directors as a group did not receive other compensation, which exceeded \$25,000 times the number of persons in the group or 10% of the compensation.

Except for our Restricted Stock Plan and 401(k) Plan, we have no material stock option plan, bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers. Michael Nasser and Charles Hopewell received bonuses, which were determined and approved by the Board of Directors.

The Board approved a non-qualified Profit-Sharing plan for employees who did not receive any other form of commission or bonus. The plan is formula based proportionately balancing years of service and compensation. The Board has year-to-year responsibility to review the amount funded to the program and the overall program will be based on a percentage of operating or pre-tax profit.

Restricted Share Plan

The Company has a Restricted Share Plan which allows the Company to grant restricted shares as compensation to directors, officers, employees and consultants of the Company. The Restricted Shares are subject to restrictions, including the period under which the shares will be restricted and subject to forfeiture which is determined by the Board at the time of the grant. The recipient of Restricted Shares is entitled to all of the rights of a shareholder, including the right to vote such shares and the right to receive any dividends, except that the shares granted under the Plan are nontransferable during the Restricted Period.

The maximum number of Common Shares reserved for issuance under the Plan will not exceed 1% of the then issued and outstanding number of Common Shares at the time of the grant. During the year ended August 31, 2022, the Company issued 6,181 common shares (fiscal 2021 – 7,999 common shares) under the Restricted Share Plan. Of the 6,181 common shares, 4,515 shares were issued to officers and directors without a restricted period under the Company's S-8 Registration Statement filed on December 7, 2020 (fiscal 2021 – 6,564 common shares). The remaining 1,666 common shares (fiscal 2021 - 1,435 common shares) were issued to Employees, with 588 of these shares having a three-year Restricted Period, and 1,078 of the shares issued as the second year's allocation with a two-year restricted period.

Subsequent to the end of fiscal 2022 in November 2022, the Company issued 3,557 common shares to Officers, Directors and Employees under the Company's Restricted Share Plan. The Company made three issuances. Under the first issuance, a total of 2,478 common shares were issued to Officers, Directors and Employees at a deemed price of \$5.28 per share. 500 of these shares were issued to Officers and Directors without a Restricted Period under the Company's S-8 Registration Statement filed on December 7, 2020. The remaining 1,978 shares were issued to Employees and have a three-year Restricted Period. Under the second issuance, 381 shares were issued at a deemed price of \$10.70 per share as the second year's allocation of shares to employees who were granted shares in a three-year vesting period beginning in fiscal 2021. Under the third issuance, 698 shares were issued at a deemed price of \$8.80 per share as the third year's allocation of shares to employees who were granted shares in a three-year vesting period beginning in fiscal 2020.

401(k) Plan

The Company has a 401(k) Plan which allows for a non-elective discretionary contribution based on the first \$45,000 of eligible compensation. Beginning in fiscal 2019, the Company reduced the percentage amount of the discretionary contribution while adding a matching contribution, which is designed to encourage employees to participate with their own contributions. For the years ended August 31, 2022 and 2021 the 401(k) compensation expense was \$516,991 and \$530,311, respectively. The contribution for Chad Summer for fiscal year 2022 was \$23,100, and the contribution for Mitch Van Domelen for fiscal 2022 was \$19,106. The contributions for Charles Hopewell were \$29,600 and \$29,600 for the fiscal years ended August 31, 2022 and 2021 respectively. The contributions for Michael Nasser were \$14,400 and \$14,400 for the fiscal years ended August 31, 2022 and 2021 respectively. There are no un-funded liabilities.

Stock Options

The Company formerly had a stock option program under which stock options to purchase securities from the Company could be granted to directors and employees of the Company on terms and conditions acceptable to the regulatory authorities of Canada, notably the Ontario Securities Commission and the British Columbia Securities Commission.

During the year ended August 31, 2020, the Company's Board of Directors approved the termination of the stock option program. No options were granted in fiscal 2022 or 2021, and the Company had no stock options outstanding as of August 31, 2022 and August 31, 2021.

Long-Term Incentive Plan / Defined Benefit or Actuarial Plan

During fiscal 2022 the Company had no Long-Term Incentive Plan ("LTIP") and no LTIP awards were made. Also, during fiscal 2022 the Company had no Defined Benefit or Actuarial Plan.

Compensation Committee Interlocks and Insider Participation

The Company's Compensation Committee consists of 3 independent directors. None of the members of the Compensation Committee served as an officer or employee of the Company in the prior fiscal year.

No board of director member and none of our executive officers have a relationship that would constitute an interlocking relationship with executive officers and directors of another entity.

Employment Contracts

Termination of Employment and Change-in-Control Arrangements

--- No Disclosure Necessary ---

Director Compensation

The Company began compensating directors at the rate of \$1,000 per month as of January 1, 2019. Directors are also entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. The Board of Directors may award special remuneration to any director undertaking any special services on behalf of the Company other than services ordinarily required of a director.

During fiscal 2022 the following cash payments were paid to directors for their service as directors: Charles Hopewell \$8,500 (2021 - \$Nil); Mike Nasser \$Nil (2021 - \$Nil); Frank Magdlen \$Nil (2021 - \$9,000), Geoff Guilfooy \$12,000 (2021- \$12,000); Sarah Johnson \$12,000 (2021 - \$12,000); Chris Karlin \$12,000 (2021- \$12,000); Michelle Walker \$12,000 (2021 - \$2,000).

In November 2020, the Board of Directors approved additional compensation for Directors other than Named Executive Officer members under the Company's Restricted Share Plan. Directors will be granted 25 common shares for each fiscal quarter of service, with the amount earned during the year to be distributed by the end of the first fiscal quarter of the following fiscal year. Directors also received a one-time grant of 225 common shares each upon the approval by the Board, with such shares distributed in December 2020. The value of the 225 shares granted to each non-executive Director was \$1,980.

In fiscal 2022, the Company issued 400 common shares to directors under the RSA Plan. The value of the shares issued was \$4,240. Subsequent to the end of fiscal 2022, the Company issued 500 common shares to directors under the RSA Plan at a value of \$2,640.

Executive Officer Compensation

The Company's Compensation Committee provides advice and recommendations to the Board of Directors on compensation and benefits for executive officers. As in prior years all judgments regarding executive compensation for fiscal 2022 and 2021 were based primarily upon our assessment of each executive officer's performance and contribution towards enhancing long-term shareowner value. We rely upon judgment and not upon rigid guidelines or formulas or short-term changes in our stock price in determining the amount and mix of compensation for each executive officer.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The Company is a publicly owned corporation. It is not controlled directly or indirectly by another corporation or any foreign government.

Table No. 7 shows directors, executive officers, and 5% shareholders who beneficially owned the Company's common stock and the amount of the Company's voting stock owned as of November 21, 2022.

Table No. 7.
Shareholdings of Directors, Executive Officers,
and 5% Shareholders

Class	Name and Address of of Beneficial Owner	Amount of Beneficial and Voting Ownership	Percent of Class ⁽¹⁾
Common	Oregon Community Foundation	1,068,534	30.54%
Common	Charles E. Hopewell	21,288	0.61%
Common	Chad Summers	5,378	0.15%
Common	Mitch Van Domelen	1,616	0.05%
Common	Geoff Guilfooy	450	0.01%
Common	Sarah Johnson	450	0.01%
Common	Chris Karlin	450	0.01%
Common	Michael C. Nasser	168	< 0.01%
Common	Michelle Walker	125	< 0.01%
Total Directors, Executive Officers, and 5% Shareholders		1,098,459	31.39%

(1) Based on 3,498,899 shares outstanding as of November 21, 2022 and shares granted under the RSA Plan for which the individual has voting control or are issuable within the next 60 days.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

There have been no transactions or proposed transactions, which have materially affected or will materially affect the Company in which any director, executive officer, or beneficial holder of more than 5% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The audit committee is directly responsible for the appointment, compensation and oversight of auditors; and has the authority and the funding to engage independent counsel and other outside advisors.

The audit committee may delegate to one or more designated members of the audit committee the authority to grant pre-approvals required by this policy and procedure. The decisions of any audit committee member to whom authority is delegated to pre-approve a service shall be presented to the audit committee at its next meeting.

In accordance with the requirements of the U.S. Sarbanes-Oxley Act of 2002 and rules issued by the Securities and Exchange Commission, we introduced a procedure for the review and pre-approval of any services performed by Davidson & Company, LLP Chartered Accountants, including audit services, audit related services, tax services and other services. The procedure requires that all proposed engagements of Davidson & Company, LLP Chartered Accountants for audit and permitted non-audit services are submitted to the finance and audit committee for approval prior to the beginning of any such services.

Fees, including reimbursements for expenses and for professional services rendered by Davidson & Company, LLP Chartered Accountants to the Company were:

Principal Accountant Fees and Services	Fiscal Year	
	2022	2021
Audit fees	\$ 90,000	\$ 80,000
Tax fees	10,500	10,850
All other fees (1)	24,750	29,900
	<hr/>	
Total	\$ 125,250	\$ 120,750

(1) FY2022: \$8,250 to review the Q1 Form 10Q
 \$8,250 to review the Q2 Form 10Q
 \$8,250 to review the Q3 Form 10Q

FY2021: \$8,250 to review the Q1 Form 10Q
 \$8,250 to review the Q2 Form 10Q
 \$8,250 to review the Q3 Form 10Q

PART III

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(A) Financial Statements and Schedules:

(B) Exhibits:

2. Plan of acquisition, reorganization, arrangement, liquidation or succession:
No Disclosure Necessary
3. Articles of Incorporation/By-Laws:
Incorporated by reference to Form 10 Registration Statement, as amended.
- 3.1 Amended and Restated Articles of Incorporation of Jewett-Cameron Lumber Corporation
(filed as an exhibit to the 10-Q Quarterly Report filed on January 13, 2014)
- 3.2 Articles of Incorporation of Jewett-Cameron Company.
(filed as an exhibit to the 10-Q Quarterly Report filed on January 13, 2014)
4. Instruments defining the rights of holders, including indentures
--- Refer to Exhibit #3 ---
9. Voting Trust Agreements: No Disclosure Necessary.
10. Material Contracts:
Incorporated by reference to Form 10 Registration Statement, as amended.
11. Statement re Computation of Per Share Earnings: No Disclosure Necessary
12. Statements re computation of ratios: No Disclosure Necessary
13. Annual Report to security holders, Form 10-Q or quarterly report to security holders:
No Disclosure Necessary
14. Code of Ethics: No Disclosure Necessary
16. Letter on Change of Certifying Accountant: No Disclosure Necessary
18. Letter on change in accounting principles: No Disclosure Necessary
21. Subsidiaries of the Registrant: Refer to page 4 of this Form 10-K
22. Published report regarding matters submitted to vote
No Disclosure Necessary
23. Consent of Experts and Counsel: No Disclosure Necessary
24. Power of Attorney: No Disclosure Necessary
- 31.1 Certification of Chief Executive Officer and Principal Financial Officer pursuant to Section 302 of the
Sarbanes-Oxley Act, Charles Hopewell
- 32.1 Certification of Chief Executive Officer and Principal Financial Officer pursuant to 18 U.S.C., 1350
(Section 906 of the Sarbanes-Oxley Act), Charles Hopewell
99. Additional Exhibits: No Disclosure Necessary

- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURE PAGE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Jewett-Cameron Trading Company Ltd.
Registrant

Dated: November 28, 2022

By: /s/ "Chad Summers"
Chad Summers,
Chief Executive Officer

Dated: November 28, 2022

By: /s/ "Mitch Van Domelen"
Mitch Van Domelen,
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: November 28, 2022

By: /s/ "Charles Hopewell"
Charles Hopewell,
Chairman and Director

Dated: November 28, 2022

By: /s/ "Michael C. Nasser"
Michael C. Nasser,
Corporate Secretary and Director

Dated: November 28, 2022

By: /s/ "Geoff Guilfooy"
Geoff Guilfooy,
Director

Dated: November 28, 2022

By: /s/ "Sarah Johnson"
Sarah Johnson,
Director

Dated: November 28, 2022

By: /s/ "Chris Karlin"
Chris Karlin,
Director

Dated: November 28, 2022

By: /s/ "Michelle Walker"
Michelle Walker,
Director

CERTIFICATIONS

I, Chad Summers, certify that:

1. I have reviewed this Annual Report on Form 10-K of Jewett-Cameron Trading Company Ltd;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2022

By: /s/ "Chad Summers"

Chad Summers

Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Jewett-Cameron Trading Company Ltd. (the “Company”) on Form 10-K for the year ended August 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officer of the Company does hereby certify, to such officer’s knowledge, that, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 28, 2022

Signed: /s/ “Chad Summers”
Chad Summers,
Chief Executive Officer

CERTIFICATIONS

I, Mitch Van Domelen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Jewett-Cameron Trading Company Ltd;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2022

By: /s/ "Mitch Van Domelen"

Mitch Van Domelen,
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Jewett-Cameron Trading Company Ltd. (the “Company”) on Form 10-K for the year ended August 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officer of the Company does hereby certify, to such officer’s knowledge, that, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 28, 2022

Signed: /s/ “Mitch Van Domelen”
Mitch Van Domelen,
Chief Financial Officer