UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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, 2020**

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 COMPANY LTD.

(Name of registrant as specified in its charter)

British Columbia, Canada	N/A
(State or Incorporation or Organization)	(IRS Employer ID No.)

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

Registrant's Telephone Number 503-647-0110

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
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 fi ler, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated fi ler,” “accelerated filer,” “smaller reporting company,”and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-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..
☒

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, 2020 = $17,543,960

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of November 10, 2020: 3,481,162

Jewett-Cameron Trading Company Ltd.

Form 10-K Annual Report

Fiscal Year Ended August 31, 2020

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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
- Lawn, garden, pet 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 lawn, garden, pet and other segment reflects the business of the newly incorporated Jewett-Cameron Company (“JCC”). JCC is a wholesaler of wood products and a manufacturer and distributor of specialty metal products formerly conducted by JCLC. Wood products include fencing and landscape timbers, while metal products include dog kennels, proprietary gate support systems, perimeter fencing, and greenhouses. JCC uses contract manufacturers to make the specialty metal 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, and other retailers.

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 $44.9 million and $45.4 million during fiscal years ended August 31, 2020 and 2019, 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. Mail is not delivered to the street address. 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 Charles Hopewell, President, Chief Executive Officer, Director, Board Chair, and Principal Financial Officer.

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, 2020 and November 10, 2020, there were 3,481,162 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. 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, 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 has been 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; Lawn, garden, pet 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 14 "Segment Information".

Lawn, Garden, Pet and Other – JCC

The lawn, garden, pet and other segment reflects the business of Jewett-Cameron Company (JCC), which is a manufacturer and distributor of specialty metal products and a wholesaler of wood products formerly conducted by JCLC.

JCC operates out of a 5.6 acre owned facility located in North Plains, Oregon that includes an office, a warehouse, and a paved yard. This business is a wholesaler of wood products and a manufacturer and distributor of specialty metal products. Wood products are primarily fencing, while metal products include an array of pet enclosures, kennels, and pet welfare and comfort products, proprietary gate support systems, perimeter fencing, greenhouses, canopies and umbrellas. Examples of the Company's brands include Lucky Dog, Animal House and AKC (used under license from the American Kennel Club) for pet enclosures and kennels; Adjust-A-Gate, Fit-Right, Perimeter Patrol, and Lifetime Post for gates and fencing; Early Start, Spring Gardner, and Weatherguard for greenhouses; and TrueShade for patio umbrellas, furniture covers and canopies. JCC uses contract manufacturers to make the specialty metal 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, and 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 2020, the Company applied for Nil new patents (fiscal 2019 – Nil), while Nil other patents were granted (fiscal 2019 – 1). 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. In addition to the patents, JCC also has two licensing agreements to market pet products.

Backlog orders are a factor in this business as customers may place firm priced orders for both wood and metal 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 is sold to the transportation industry. In February 2014, the Company sold its remaining and excess inventory related to the marine industry. Greenwood's total sales for fiscal 2020 and 2019 were 5% and 9% respectively of total Company sales.

The primary market~~s~~ 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.

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 some 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 the month of August may be unusually high based on a seasonal surge in cleaning sales, which are much more profitable than product sales.

JCSC may periodically have a backlog of sales orders based on the market's need for specific crops due to seasonal patterns.

Industrial Tools and Clamps - MSI

MSI is a former division of the Company that 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. This business operated from the same owned facilities as JCC.

The MSI division was permanently closed and all remaining inventory was liquidated during fiscal 2020.

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 products are 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 76% and 77% of total Company sales for the years ended August 31, 2020 and August 31, 2019, respectively. Also, the Company's single largest customer was responsible for 30% and 33% of total Company sales for the years ended August 31, 2020 and August 31, 2019 respectively.

Employees

As of August 31, 2020 the Company had 63 full-time employees (August 31, 2019 – 58 full-time employees). By segment these employees were located as follows: Greenwood 1, JCC 38, JCSC 8, and JC USA 16. 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. 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 1,765 shares on NASDAQ for the fiscal year ended August 31, 2020. 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, 2020 our top ten customers represented 76% of our total sales, and our single largest customer was responsible for 30% 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 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 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 $3 million, of which $3 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, 2020. 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 (6,000 office and 49,250 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. 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.

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 is expected to be completed by the end of the first quarter of fiscal 2021.

In June 2012, the Company acquired land and fixed assets located in Manning, Oregon for $250,000 cash. The land consists of 7.5 acres and the fixed assets included 12,000 square feet of buildings. During the second quarter of fiscal 2019, the Company sold the property for $325,000 cash.

The company is currently finalizing its plans to renovate a portion of its older existing warehouse space into 2 floors of office space as employee growth has exceeded existing capacity. Construction is expected to begin during the second quarter of fiscal 2021.

ITEM 3. LEGAL PROCEEDINGS

The Company is a named party in a Civil Action in Pennsylvania. The matter is an action seeking compensation for personal injuries and is based on theories of product liability as to Jewett-Cameron. The matter arises out of a dog allegedly escaping from a Jewett-Cameron kennel product and causing personal injuries to three individuals. Jewett-Cameron is currently one of three named Defendants. As of this date, no formal responses have been made and no dates have been established governing the litigation proceedings. This matter is in its early stages making it speculative to predict as to its outcome. It is the Company's intention to vigorously defend the lawsuit. Jewett Cameron's applicable liability insurer is providing a defense covering Jewett-Cameron's legal fees and costs.

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 our common stock is "JCTCF" and the CUSIP number for the stock is 47733C-20-7. Our common stock began trading on the NASDAQ Small Cap Stock 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				
9/30/20	37,200	$ 8.05	$ 7.25	$ 7.71
Quarterly				
8/31/20	138,800	$ 8.78	$ 5.95	$ 7.55
5/31/20	106,900	$ 7.09	$ 5.00	$ 6.00
2/29/20	112,200	$ 8.14	$ 7.00	$ 7.00
11/30/19	97,700	$ 8.10	$ 7.18	$ 7.96
8/31/19	234,800	$ 9.10	$ 7.00	$ 8.04
5/31/19	592,900	$ 9.32	$ 6.95	$ 7.69
2/28/19	190,700	$ 8.99	$ 6.23	$ 7.23
11/30/18	299,800	$10.00	$ 7.25	$ 7.32
Annually				
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
8/31/17	1,237,400	$ 7.23	$ 5.30	$ 6.98
8/31/16	1,791,200	$ 7.48	$ 3.85	$ 6.21

Holders

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

On October 21, 2020 there were 14 registered shareholders and 3,481,162 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

During the fiscal years ended August 31, 2019 and 2018, the Company has repurchased common shares through share repurchase plans approved by the Board of Directors in accordance with Rule 10b-18 under the U.S. Securities Exchange Act of 1934.

On June 6, 2018, the Company announced the Board of Directors had authorized a new share repurchase plan to purchase for cancellation up to 250,000 common shares through the facilities of NASDAQ. Transactions may involve Jewett-Cameron insiders or their affiliates executed in compliance with Jewett-Cameron's Insider Trading Policy. The share repurchase plan was effected in accordance with Rule 10b-18 under the U.S. Securities Exchange Act of 1934, which contains restrictions on the number of shares that may be purchased on a single day, subject to certain exceptions for block purchases, based on the average daily trading volumes ("ADTV") of Jewett-Cameron's shares on NASDAQ. Purchases shall be limited to one “Block” purchase per week in lieu of the 25% of ADTV limitation for compliance with Rule 10b-18(b)(4). A “block” as defined under Rule 10b-18(a)(5) means a quantity of stock that, among other things, is at least 5,000 shares and has a purchase price of at least US$50,000. The Plan commenced on June 11, 2018 and terminated upon the completion of the 250,000 share repurchase on October 25, 2018. Under the Plan, the Company repurchased and cancelled a total of 250,000 common shares at a total cost of $2,164,975 which was an average price of $8.66 per share.

On February 7, 2019, the Company announced the Board of Directors had authorized a new share repurchase plan to purchase for cancellation up to 250,000 common shares through the facilities of NASDAQ under similar terms to the June 2018 plan. The Plan commenced on February 18th and terminated upon the completion of the 250,000 repurchase on July 22, 2019. A total of 250,000 shares of common stock was repurchased at a total cost of $2,168,065 which represents an average share price of $8.67 per share.

During the 2nd quarter of fiscal 2020 ended February 29, 2020, the Company repurchased for cancelation a total of 490,120 common shares from two large shareholders, including an officer and director of the Company. The shares were repurchased privately at a price of $7.89 per share, calculated as the Volume Weighted Average Price (VWAP) of all the shares traded on NASDAQ during the first quarter of fiscal 2020. The total cost of the share repurchases was $3,867,046.

ITEM 6. SELECTED FINANCIAL DATA

--- No Disclosure Necessary for Smaller Reporting Companies ---

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, 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
- Lawn, garden, pet and other
- Seed processing and sales
- Corporate and administration

During fiscal 2020, the Company closed its Industrial Tools segment operated by MSI and liquidated the remaining inventory.

Quarterly Results

The following table summarizes quarterly financial results in fiscal 2020 and fiscal 2019. (Figures are thousands of dollars except per share amounts).

	For the Year Ended August 31, 2020				
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Full Year**
Sales	$ 7,055	$ 7,622	$ 16,241	$ 14,027	$ 44,945
Gross profit	2,048	2,005	4,309	4,111	12,473
Net income (loss)	(7)	(174)	1,397	1,569	2,785
Basic earnings (loss) per share	($ 0.00)	($ 0.05)	$ 0.39	$ 0.43	$ 0.77
Diluted earnings (loss) per share	($ 0.00)	($ 0.05)	$ 0.39	$ 0.43	$ 0.77

	For the Year Ended August 31, 2019				
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Full Year**
Sales	$ 9,066	$ 7,857	$ 16,692	$ 11,831	$ 45,446
Gross profit	2,309	1,761	3,638	2,256	9,964
Net income	350	120	1,098	532	2,100
Basic earnings per share	$ 0.08	$ 0.03	$ 0.26	$ 0.13	$ 0.50
Diluted earnings per share	$ 0.08	$ 0.03	$ 0.26	$ 0.13	$ 0.50

Fiscal 2020 quarterly per share earnings were calculated using weighted average number of common shares outstanding as of August 31, 2020 of 3,623,413 (2019 – 4,233,304).

RESULTS OF OPERATIONS

Management and the Board planned for Fiscal 2020 to be a strategic “investment” year. This plan included exiting the underperforming industrial tools segment and increasing the focus on the remaining three operational segments through the development of new products, important capital investments, key staff additions, and rebranding of product lines across both existing and new sales channels. Although the Company was successful in executing its strategic investment plan for the fiscal year, the Company’s sales and operations were heavily affected by outside forces, namely tariffs and the COVID-19 Coronavirus pandemic.

The COVID-19 pandemic significantly impacted the Company and its customers throughout calendar 2020, but the first part of fiscal 2020 was negatively affected by uncertainty over tariffs on the Company’s products manufactured in China. During the first quarter, the Company received notice that a number of the Company’s metal products manufactured in China would be reclassified and receive lower tariffs. Several of the Company’s major customers delayed their expected first quarter purchases into the second quarter in order to receive better pricing due to the reduced tariffs.

Although sales of the previously tariffed products began to improve in the second quarter, demand for a number of the Company’s seasonal products were negatively affected by the Coronavirus in China beginning in January. Extended factory shut-downs after the Chinese New Year holiday to reduce the spread of the virus resulted in interruptions to the Company’s supply chain and delayed the Company’s ability to receive and deliver goods during the period. The lower sales recorded during the first and second quarters due to these events, combined with the costs of the MSI closure, contributed to the Company recording a net loss during the first six months of fiscal 2020.

The impact of the COVID-19 control measures taken by governments and the public began to affect the Company’s product sales and operations early in the third fiscal quarter, which is the beginning of the Company’s historically busiest period. With the shutdown of businesses and imposition of stay-at-home orders across the United States, consumers shifted much of their buying patterns to online shopping. As people spent more time in their homes, DIY home improvement projects became more popular. Pet adoptions also increased tremendously during the quarantine period. This led to higher sales volumes in certain of the Company’s categories, including fencing and pet products, beginning in March and continuing through the fourth fiscal quarter.

A campaign to re-brand both the primary enterprise and each business unit and products was launched in the second fiscal quarter. The overall goal is to connect the consumer across all retail and eCommerce platforms with a consistent look and statement of value. This will expand the Company's touch in more sales channels and greater integration with retailers and e-commerce providers. The intent is to make the consumer more aware of Jewett-Cameron and drive more cross-over business to each segment and product line. This focus involves social media, other online communications, and omnichannel branding. The Company also intends to increase its product presence in more channels, including retailers and e-commerce, both in the US and internationally.

New product development is being emphasized to expand both existing and new product lines. Several new products were released in fiscal 2020, including the new Lucky Dog® Zero Plastic Poop Bags. These 100% compostable dog waste bags, which were launched at the Global Pet Show in Orlando in February, are made from a vegetable-based product and contain no traditional polymers, dyes or chemicals. It is strong, leak-proof and easy to open while being certified compostable. When used to pick up dog waste, the entire bag breaks down in aerobic environments and returns to the earth in 90-180 days while leaving no micro-plastic residue like many other pet waste bags currently on the market. The new product has been well-accepted by both retailers and consumers and has strengthened our conversations with existing sales channels about complementary products. We have also added a significant pet market partner with a strong reach who has rapidly advanced to being one of our stronger customers. In August 2020, the Company announced a new supply agreement with SECOS Group of Australia to produce the Zero Plastic Poop Bags from SECOS' proprietary biopolymer resins. This agreement is expected to provide us with the capacity to meet demand for the Bags from our retail channel partners and online, in both domestic and international markets. We have joined with new European distributors for the Poop Bags and several other products, with the initial shipments scheduled to arrive in Europe in November 2020.

The new patented steel fence post, LIFETIME POST™, continues to position the company firmly in the fencing market. The product was specifically designed to complement Jewett Cameron's already long running, successful Adjust-A-Gate™ products, thus building a stronger branding in this market segment. The Company has other products in development, primarily in the fencing and pet segments. Besides its internal new product development process, management may also seek to acquire products that will provide complementary benefits to its existing products and product lines.

During the year, the Company continued to add to its infrastructure and staff to support its current and future business initiatives. Additional employees have been hired, particularly in the areas of sales and marketing, and business and new product development. A new Enterprise Resource Planning (ERP) software system which will support the sales and marketing programs and streamline reporting functions has been installed and tested during fiscal 2020. However, due to the COVID-19 situation and the strong product demand during the 3rd and 4th quarters, management decided to delay the full implementation date until the 2nd quarter of fiscal 2021. This is typically one of the Company's slowest sales periods which will limit possible business disruptions. Other current capital projects include the renovation of the former seed laboratory into a new Creative Center for new product development. Completion is expected at the end of the first quarter of fiscal 2021. The Company has also been planning an extensive renovation of a portion of the older warehouse space into a two-story office structure as the existing office space is older and cramped due to the new hires. The construction of the new space could begin prior to the end of calendar 2020.

In response to the COVID-19 pandemic, the Company has instituted strong protocols within its facility consistent with the State of Oregon's requirements and CDC guidelines. This includes appropriate social distancing and cleaning protocols. The entire workforce has been retained without any lay-offs or reductions in shifts or work hours, and there have been no adverse costs related to remote work or the implementation of the new processes needed for the home-based workers. Although some employees previously working remotely have returned to work at the facility, approximately 40% of the workforce continues to work from home. This arrangement of 60/40 work at the facility/work from home will continue where appropriate to the functions of each employee's role and responsibilities.

It is critical to our continuing operations that we do all we can to protect and retain our workforce if and when they might experience exposure to the virus. If any employees working at headquarters or in the warehouse facilities contract the virus, the Company would be forced to curtail those operations, including product shipments, for the required period to thoroughly clean and sanitize the facility without human exposure, which would result in delayed or lost revenue, and increased costs. For this reason, we will continue to be aggressive in ways to protect our operations and cash flows against the virus and take all precautions for any potential shut-downs or adjustments to our operations. Any change to the current State of Oregon orders regarding workplaces and travel restrictions could result in the Company having to temporarily close its facilities altogether. Our suppliers and many of our customers are subject to the same risks.

Specific COVID-19 protocols are in place for all of the Company's facilities and for all personnel which are designed to minimize potential exposure and maintain safety. There have been a limited number of instances of probable virus exposure to some of our personnel that have occurred outside our facilities. Those potentially exposed individuals were sent home with continuing compensation and were not permitted to return to work until they received a negative COVID-19 test. To date, there have been no cases of COVID-19 virus among any of the Company's employees, which demonstrates employees have been following the procedures and protocols.

In order to mitigate the tremendous impact of COVID-19, the Company received two loans under the Paycheck Protection Program (the "PPP") as part of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). This program was designed to help smaller American companies with retaining their employees and maintaining their business during the economic slowdown caused by the pandemic, and to better position these businesses to ultimately recover from the crisis more quickly. The PPP funds were essential in supporting the Company's ability to continue to operate without interruption during the COVID-19 crisis and retain 100% of its workforce, which was integral to the Company's recovery in the 3rd and 4th quarters. All of the borrowed funds were spent on qualifying employee salaries and costs, and no employees were laid-off.

The rebound in business shown in the 3rd and 4th quarters is encouraging, but due to the ongoing COVID-19 situation and its severe effects on the overall economy, the outlook for fiscal 2021 is uncertain. We have increased our inventory levels going into fiscal 2021 in order to minimize any potential supply disruptions caused by new COVID-19 outbreaks. We remain committed to grow our business, add new sales channels and widening our marketing base. This requires the continued investment in multiple areas to achieve these goals, including our facilities, equipment, and personnel. The development and introduction of new products is a key component of our strategic plan. This will broaden our product selection for both our distribution partners and consumers. For 2021, we plan to continue to strengthen and broaden our product offerings. Our goal is to begin to counter the historic seasonality of our sales through new promotional programs and launch of new products which are more tuned to year-round sales cycles.

Fiscal Years Ended August 31, 2020 and August 31, 2019

Fiscal 2020 sales totaled $44,945,263 compared to sales of $45,446,362 in fiscal 2019, which was a decrease of $501,099, or 1%. The decrease in sales was primarily due to lower sales at Greenwood and the closure of MSI.

Gross margin rose slightly to 27.8% from 21.9% in fiscal 2019 primarily due to a more favorable mix of product sales away from lower margin lumber sales in the current year.

Operating expenses increased by $1,388,166 to $8,615,047 from $7,226,881 in fiscal 2019. The increase was due to higher selling, general and administrative expenses of $2,502,989 compared to $2,127,296 and an increase in wages and employee benefits, which rose to $5,894,346 from $4,907,766. Both increases are related to the Company's investment efforts to support the Company's growth initiatives. Depreciation and amortization increased to $217,712 from $191,819. Income from operations increased to $3,858,136 in fiscal 2020 from $2,737,550 in fiscal 2019.

Including other items, income before income taxes was $3,889,156 in fiscal 2020 compared to $2,888,144 in fiscal 2019. Other items included gain on sale of property, plant and equipment of $6,600 compared to a gain of $105,366, which was largely due to the sale of the Manning property, in fiscal 2019. Interest and other income declined to $24,420 in fiscal 2020 from $45,228 in fiscal 2019 due to lower rates of interest on cash balances from short-term investments. Income tax expense was $1,104,631 compared to $787,692 in fiscal 2019. The Company calculates income tax expense based on combined federal and state rates that are currently in effect.

Net income for fiscal 2020 was $2,784,525, or $0.77 per basic and diluted share, compared to net income for fiscal 2019 of $2,100,452, or $0.50 per basic and diluted shares. The income per share was positively affected by the repurchase and cancellation of common shares during both fiscal 2020 and 2019, and the increased profitability in 2020. The weighted number of shares outstanding were 3,623,413 in fiscal 2020 and 4,233,304 in fiscal 2019.

Lawn, Garden, Pet and Other - JCC

Sales at JCC were $40,348,660 in fiscal 2020 compared to sales of $38,510,213 in fiscal 2019.

Operating income at JCC for 2020 was $3,936,491 compared to $2,040,631 in 2019, which was an increase of $1,895,860, or 93%. Demand was weak during the first two quarters of fiscal 2020 as many customers had stocked up on metal products prior to the imposition of tariffs. During the second half of fiscal 2020, the COVID-19 pandemic's stay-at-home orders drove strong demand for certain of JCC's DIY product lines, particularly in the Pet and Fencing segments. In fiscal 2019, extended wet and cold weather across much of North America during the Spring significantly delayed, and ultimately reduced, demand for the Company's lawn and garden products during the year. Overall, the operating results of JCC are seasonal with the first two quarters of the fiscal year being much slower than the final two quarters of the fiscal year.

The following table shows a breakdown between the metal and wood categories in this segment.

	Sales in Millions of Dollars			Percent of Total Sales		
Fiscal Year	Metal	Wood	Total	Metal	Wood	Total
2020	$32.2	$ 8.1	$40.3	80%	20%	100%
2019	$26.4	$12.1	$38.5	69%	31%	100%

The Company's metal products are manufactured in China and are imported into the United States. Many of the Company's metal products have been subject to additional USTR tariffs on the importation of Chinese manufactured products in the United States. These new tariffs went into effect on September 24, 2018 at an initial 10% rate but later rose to a 25% rate. Uncertainty over the tariffs began to negatively affect the Company's business in the fourth quarter of fiscal 2018 as customers were attempting to formulate their approach to the tariffs and stalled or delayed acceptance of initial price increases. The implementation of these additional tariffs reduced the Company's margins and overall demand for metal products during all of fiscal 2019. During 2019, the Company's supplier appealed to USTR the classification of many of its metal products as subject to specific tariff classes. In September 2019, the Company was notified that certain of its products in both the fencing and pet categories would not be subject to these tariffs going forward. Unfortunately, those tariff reductions were temporary, and the additional tariff rates on the Company's imported metal products were raised back to the 25% rate in September 2020.

Industrial Wood Products - Greenwood

Sales at Greenwood in fiscal 2020 were $2,285,250, which was a decrease of $1,624,867, or 42% from sales of $3,910,117 in fiscal 2019. Greenwood's sales were heavily impacted by the COVID-19 shutdowns, as many of their products are sold to municipalities and larger transit operators. Greenwood is currently exploring several new product offerings, particularly in the housing and construction sectors, which would open new sales channels and broaden its customer base. Greenwood recorded an operating loss of ($122,088) in fiscal 2020 compared to an operating income of $71,192 in fiscal 2019.

Seed Processing and Sales - JCSC

Sales at JCSC were $2,071,157 in fiscal 2020 compared to sales of $2,233,406 in fiscal 2019, which represents a decrease of $162,249, or 7%. Wet weather resulted in poor planting seasons across North America in late 2018 and in 2019 which reduced the demand for the Company's clover seed as a cover crop during both fiscal 2020 and 2019. Management's recent efforts to focus JCSC on service and to more closely align with the needs of growers has led to significantly greater cleaning volumes in early fiscal 2021 compared to the prior years. JCSC will continue to work with growers on both cleaning and marketing seed which management believes will better position JCSC for higher revenues going forward. JCSC had an operating loss of ($181,712) in fiscal 2020 compared to an operating loss of ($222,191) in fiscal 2019.

Industrial Tools and Clamps - MSI

During fiscal 2018, management initiated a review of the segment to improve margins, which includes reducing inventory holding costs of slower selling items. This review led to the write-offs of obsolete inventory of $66,000 in fiscal 2019. Unfortunately, management's efforts were ultimately unsuccessful in increasing sales or margins due to a lack of market differentiation and changing customer patterns. Therefore, the Board of Directors decided to permanently close MSI effective September 2019. All of the fiscal 2020 sales for MSI represent the liquidation of the entire remaining inventory.

Sales at MSI were $240,196 in fiscal 2020 compared to $792,626 in fiscal 2019. Operating loss at MSI in fiscal 2020 was ($237,133) compared to an operating loss of ($159,914) in fiscal 2019. With the disposal of the remaining inventory, MSI has now been closed, and the subsidiary wound-up and dissolved.

Corporate – JC USA

JC USA, the holding company that provides professional and administrative services for the wholly-owned operating subsidiaries had operating income of $493,598 for fiscal 2020 compared to operating income of $1,158,426 for fiscal 2019. The decrease is due to lower rental and administrative fees charged to its subsidiaries related to the inventory levels maintained throughout the year. The results of JC USA are inter-company transactions and are eliminated on consolidation.

LIQUIDITY AND CAPITAL RESOURCES

Fiscal Year Ended August 31, 2020

As of August 31, 2020, the Company had working capital of $16,477,073 compared to working capital of $17,761,616 as of August 31, 2019, which is a decrease of $1,284,543. The largest changes affecting working capital include a decrease in cash of $5,851,273, an increase in accounts receivable of $3,438,474, an increase in inventory of $2,820,341, a decrease in note receivable of $1,197, an increase in prepaid expenses of $642,589, and a decrease in prepaid income taxes of $223,420. The decrease in cash is related to the increases in inventory and accounts receivable as the COVID-19 pandemic adjusted the product mix and usual sale cycle from prior years.

Accounts payable rose to $1,095,061 from $410,027 which is related to the timing of payments due to suppliers. Accrued liabilities increased to $2,016,300 from $1,312,580, an increase of $703,720. Income taxes payable totaled $40,596 compared to $Nil in fiscal 2019. Current portion of notes payable, which are the promissory notes PPP loans received in the 3rd quarter, is $342,326, and the remainder of the PPP loans have been classified as long-term liabilities totaling $338,381. The ratio of current assets to current liabilities, or current ratio, was 5.8 as of August 31, 2020 (August 31, 2019 – 11.3).

For the fiscal year ended August 31, 2020, the accounts receivable collection period or DSO was 51 days compared to 23 days for the year ended August 31, 2019. Inventory turnover for the year ended August 31, 2020 was 88 days compared to 83 days for the year ended August 31, 2019.

The Company has been utilizing its cash position to repurchase common shares under formal repurchase plans in order to increase shareholder value.

During the 2nd quarter of fiscal 2020 ended February 29, 2020, the Company repurchased for cancelation a total of 490,120 common shares from two large shareholders, including an officer and director of the Company. The shares were repurchased privately at a price of $7.89 per share, calculated as the Volume Weighted Average Price (VWAP) of all the shares traded on NASDAQ during the first quarter of fiscal 2020. The total cost of the share repurchases was $3,867,046.

During fiscal 2019 ended August 31, 2019, the Company repurchased for cancelation 345,671 common shares through a share repurchase plan approved by the Board of Directors in accordance with Rule 10b-18 under the U.S. Securities Exchange Act of 1934. The shares were purchased at a cost of $3,061,441. The Company also issued 2,294 common shares to its President and CEO in fiscal 2019 pursuant to the Company's Restricted Share Plan as consideration for a portion of his fiscal 2018 bonus.

Based on the Company’s current working capital position, its policy of retaining earnings, and the line of credit available, the Company believes it has adequate working capital to meet its needs for fiscal 2021.

Short-term and Long-term Debt

External sources of liquidity include a line of credit from U.S. Bank of $3 million, of which $3 million is available. Borrowing under the line of credit is secured by an assignment of accounts receivable and inventory. The interest rate is calculated solely on the one month LIBOR rate plus 175 basis points. As of August 31, 2020 the one month LIBOR rate plus 175 basis points was 3.32% (1.57% + 1.75%). With the expected phase-out of LIBOR, the Company expects the calculated rate on the line of credit will be changed to another published reference standard before the planned cessation of LIBOR quotations in 2021. However, the Company does not anticipate this change will have any significant effect on the terms and conditions, and ability to access, the line of credit, or on its financial condition. The line of credit also has certain financial covenants. The Company is in compliance with these covenants.

During the 3rd quarter of fiscal 2020, the Company applied for and received two loans under 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 Company felt the PPP funds were necessary because the Company was quickly depleting its available cash in April due to inventory purchases to fulfil customer orders ahead of its busiest selling season, some delays in receiving inventory from China due to reduced availability of ocean shipping, and the danger of potential COVID-19 infections. If any of the Company’s employees on site were to contract the virus during this time, the Company would be required to shut down the facility for a minimum of 14 days to clean and disinfect, and no product would be shipped to customers. Without the cash flow from product sales, the Company would have likely had to immediately layoff or furlough many of its employees, which would further delay the Company’s ability to recover after the shutdown.

The principal amount of the PPP loans totals $680,707. They have a term of 2 years with a 1% annual interest rate. There is no prepayment penalty. If proceeds are used for qualifying expenses as defined by the CARES Act and the modifying PPP Flexibility Act, including payroll costs, health care benefits, rent and utilities, the Company can apply for forgiveness within 10 months of the end of their “covered period” of 24 weeks from the date of the loan for all or any portion of the promissory note used for such qualifying expenses. Once an application for forgiveness is submitted, all repayments are deferred until the lender receives a decision from the SBA, which can take as long as 150 days from submission date.

OTHER MATTERS

Contractual Obligations and Commercial Commitments

The Company currently has no contractual obligations or commercial commitments.

Inflation

The Company does not believe that inflation had a material impact during fiscal 2020 or 2019. Typically, the Company passes price increases on to the customer.

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, 2020, 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.

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

AUGUST 31, 2020

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, 2020 and 2019, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years ended August 31, 2020 and 2019, 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 Jewett-Cameron Trading Company Ltd. as of August 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended August 31, 2020 and 2019 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 Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the 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.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Professional
Accountants

November 10, 2020

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

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,801,037	$ 9,652,310
Accounts receivable, net of allowance of $Nil (August 31, 2019 - $Nil)	6,274,426	2,835,952
Inventory, net of allowance of $65,000 (August 31, 2019 - $119,357) (note 3)	9,198,146	6,377,805
Note receivable	-	1,197
Prepaid expenses	1,036,128	393,539
Prepaid income taxes	-	223,420
Total current assets	20,309,737	19,484,223
Property, plant and equipment, net (note 4)	2,967,565	2,727,406
Intangible assets, net (note 5)	659	3,048
Total assets	$ 23,277,961	$ 22,214,677

- Continued -

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

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

		2020		2019
Continued				
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$	1,095,061	$	410,027
Current portion of notes payable (note 8)		342,326		-
Income taxes payable		40,596		-
Accrued liabilities		2,016,300		1,312,580
Total current liabilities		3,494,283		1,722,607
Long-term liabilities				
Notes payable (note 8)		338,381		-
Deferred tax liability (note 6)		96,952		61,204
Total liabilities		3,929,616		1,783,811
Stockholders' equity				
Capital stock (note 9, 10)				
Authorized				
21,567,564 common shares, without par value				
10,000,000 preferred shares, without par value				
Issued				
3,481,162 common shares (August 31, 2019 – 3,971,282)		821,284		936,903
Additional paid-in capital		618,707		618,707
Retained earnings		17,908,354		18,875,256
Total stockholders' equity		19,348,345		20,430,866
Total liabilities and stockholders' equity	$	23,277,961	$	22,214,677

Contingency (Note 17)

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

	2020	2019
SALES	$ 44,945,263	$ 45,446,362
COST OF SALES	32,472,080	35,481,931
GROSS PROFIT	12,473,183	9,964,431
OPERATING EXPENSES		
Selling, general and administrative	2,502,989	2,127,296
Depreciation and amortization	217,712	191,819
Wages and employee benefits	5,894,346	4,907,766
	8,615,047	7,226,881
Income from operations	3,858,136	2,737,550
OTHER ITEMS		
Gain on sale of property, plant and equipment	6,600	105,366
Interest and other income	24,420	45,228
	31,020	150,594
Income before income taxes	3,889,156	2,888,144
Income taxes (note 6)		
Current	1,068,883	808,341
Deferred (recovery)	35,748	(20,649)
Net income for the year	$ 2,784,525	$ 2,100,452
Basic earnings per common share	$ 0.77	$ 0.50
Diluted earnings per common share	$ 0.77	$ 0.50
Weighted average number of common shares outstanding:		
Basic	3,623,413	4,233,304
Diluted	3,623,413	4,233,304

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	Additional paid-in capital	Retained earnings	Total
August 31, 2018	4,314,659	$ 1,017,908	$ 600,804	$ 19,754,699	$ 21,373,411
Shares repurchased and cancelled (note 10)	(345,671)	(81,546)	-	(2,979,895)	(3,061,441)
Shares issued pursuant to compensation plans (note 11)	2,294	541	17,903	-	18,444
Net income	-	-	-	2,100,452	2,100,452
August 31, 2019	3,971,282	$ 936,903	$ 618,707	$ 18,875,256	$ 20,430,866
Shares repurchased and cancelled (note 10)	(490,120)	(115,619)	-	(3,751,427)	(3,867,046)
Net Income	-	-	-	2,784,525	2,784,525
August 31, 2020	3,481,162	$ 821,284	$ 618,707	$ 17,908,354	$ 19,348,345

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	$ 2,784,525	$ 2,100,452
Items not affecting cash:		
Depreciation and amortization	217,712	191,819
(Gain) on sale of property, plant and equipment	(6,600)	(105,366)
Deferred income taxes	35,748	(20,649)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(3,438,474)	1,316,540
Decrease in note receivable	1,197	2,803
(Increase) decrease in inventory	(2,820,341)	3,425,392
(Increase) in prepaid expenses	(642,589)	(46,288)
Decrease (increase) in prepaid income taxes	223,420	(109,110)
Increase (decrease) in accounts payable and accrued liabilities	1,388,754	(449,692)
Increase in income taxes payable	40,596	-
Net cash (used by) provided by operating activities	(2,216,052)	6,305,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	400	324,675
Purchase of property, plant and equipment	(449,282)	(32,732)
Net cash (used in) provided by investing activities	(448,882)	291,943
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in notes payable	680,707	-
Issuance of common stock	-	18,444
Redemption of common stock	(3,867,046)	(3,061,441)
Net cash used in financing activities	(3,186,339)	(3,042,997)
Net (decrease) increase in cash	(5,851,273)	3,554,847
Cash, beginning of year	9,652,310	6,097,463
Cash, end of year	$ 3,801,037	$ 9,652,310

Supplemental disclosure with respect to cash flows (note 16)

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

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 specialty metal products and wholesale distribution of wood products to home centers and other retailers 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 COVID19 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 is closely monitoring 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, and its former wholly owned subsidiary MSI, all of which are incorporated under the laws of Oregon, U.S.A.

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

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, 2020, cash and cash equivalents were $3,801,037 compared to $9,652,310 at August 31, 2019.

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.

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.

(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, 2020 and 2019 are as follows:

		2020		2019
Net income	$	2,784,525	$	2,100,452
Basic weighted average number of common shares outstanding		3,623,413		4,233,304
Effect of dilutive securities Stock options		-		-
Diluted weighted average number of common shares outstanding		3,623,413		4,233,304
Basic and diluted earnings per common share	$	0.77	$	0.50

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.

No options were granted during the years ended August 31, 2020 and 2019 and there were no options outstanding on August 31, 2020 or 2019.

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.

Notes payable - 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.

(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, 2020 and 2019 follows:

	2020		2019	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Cash and cash equivalents	$3,801,037	$3,801,037	$9,652,310	$9,652,310
Accounts receivable, net of allowance	6,274,426	6,274,426	2,835,952	2,835,952
Notes Payable	680,707	680,707	-	-
Accounts payable and accrued liabilities	3,111,361	3,111,361	1,722,607	1,722,607

The following table presents information about the assets that are measured at fair value on a recurring basis as of August 31, 2020 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, 2020	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash and cash equivalents	$ 3,801,037	$ 3,801,037	$ —	$ —

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 carryforwards. 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.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (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.

Recent Accounting Pronouncements

In February 2016, Topic 842, *Leases* 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.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The accounting standard changes the methodology for measuring credit losses on financial instruments and the timing when such losses are recorded. ASU No. 2016-14 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019. The Company is currently evaluating the impact of ASU No. 2016-13 on its financial position, results of operations and liquidity.

3. INVENTORY

A summary of inventory as of August 31, 2020 and 2019 is as follows:

		2020		2019
Wood products and metal products	$	9,017,349	$	5,833,047
Industrial tools		-		239,280
Agricultural seed products		180,797		305,478
	$	9,198,146	$	6,377,805

(Expressed in U.S. Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant, and equipment as of August 31, 2020 and 2019 is as follows:

	2020	2019
Office equipment	$ 654,739	$ 486,038
Warehouse equipment	1,293,331	1,265,532
Buildings	4,182,332	4,072,741
Land	559,065	559,065
	6,689,467	6,383,376
Accumulated depreciation	(3,721,902)	(3,655,970)
Net book value	$ 2,967,565	$ 2,727,406

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, 2020 and 2019 follows:

	2020	2019
Intangible assets	16,405	43,655
Accumulated amortization	(15,746)	(40,607)
Net book value	$ 659	$ 3,048

During fiscal 2020, the Company wrote-off the intangible assets related to the wound-up and dissolved MSI-PRO subsidiary.

(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:

	2020	2019
Computed tax at the federal statutory rate	$ 807, 223	$ 605,466
State taxes, net of federal benefit	218,611	173,114
Depreciation	(33,518)	920
Inventory reserve	7,587	20,458
Other	68,980	8,383
Provision for income taxes	$ 1,068,883	$ 808,341
Current income taxes	$ 1,068,883	$ 808,341
Deferred income taxes	35,748	(20,649)
	$ 1,104,631	$ 787,692

Deferred income tax liability as of August 31, 2020 of $96,952 (August 31, 2019 – $61,204) 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. 63854

	2020	2019
Deferred tax assets:		
Allowance for inventory	$ 92,999	$ 83,243
Allowance for bad debts	-	-
Difference between book and tax depreciation	(51,892)	(6,388)
Total deferred tax assets	41,107	76,855
Valuation allowance	-	-
Net deferred tax assets	41,107	76,855
Net deferred tax liability	(138,059)	(138,059)
Combined net deferred tax liability	$ (96,952)	$ (61,204)

7. BANK INDEBTEDNESS

There was no bank indebtedness under the Company’s line-of-credit as of August 31, 2020 or August 31, 2019. At August 31, 2020, the line of credit borrowing limit was $3,000,000.

Bank indebtedness, when it exists, is secured by an assignment of accounts receivable and inventory. Interest is calculated solely on the one month LIBOR rate plus 175 basis points.

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 are 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. 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. Although the Company intends to use the proceeds for qualifying expenses, there is no assurance that the Company will obtain forgiveness of the loan. The terms of the promissory note, including eligibility and forgiveness, may be subject to additional requirements adopted by the SBA.

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.

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. CANCELLATION OF CAPITAL STOCK

Treasury stock may be kept based on an acceptable inventory method such as the average cost basis. Upon disposition or cancellation, the treasury stock account is credited for an amount equal to the number of shares cancelled, multiplied by the cost per share and the difference is treated as additional paid-in-capital in excess of stated value.

During the 2nd quarter of fiscal 2020 ended February 29, 2020, the Company repurchased for cancelation a total of 490,120 common shares from two large shareholders, including an officer and director of the Company. The shares were repurchased privately at a price of $7.89 per share, calculated as the Volume Weighted Average Price (VWAP) of all the shares traded on NASDAQ during the first quarter of fiscal 2020. The total cost of the share repurchases was $3,867,046. The premium paid to acquire those shares over their per share book value in the amount of $3,751,427 was recorded as a decrease to retained earnings

During the 4th quarter of fiscal 2019 ended August 31, 2019, the Company repurchased a total of 46,408 common shares under a 10b-18 share repurchase plan originally announced on February 7, 2019. The total cost was $399,593 at an average share price of $8.61 per share. The premium paid to acquire those shares over their per share book value in the amount of $388,645 was recorded as a decrease to retained earnings.

During the 3rd quarter of fiscal 2019 ended May 31, 2019, the Company repurchased a total of 195,142 shares under a 10b-18 share repurchase plan originally announced on February 7, 2019. The total cost was $1,704,543 at an average share price of $8.73 per share. The premium paid to acquire those shares over their per share book value in the amount of $1,658,509 was recorded as a decrease to retained earnings.

10. CANCELLATION OF CAPITAL STOCK (cont'd…)

During the 2nd quarter of fiscal 2019 ended February 28, 2019, the Company repurchased a total of 8,450 shares under the February 2019 10b-18 share repurchase plan. The total cost was $63,929 at an average share price of $7.57 per share. The premium paid to acquire those shares over their per share book value in the amount of $61,936 was recorded as a decrease to retained earnings.

During the 1st quarter of fiscal 2019 ended November 30, 2018, the Company repurchased and cancelled a total of 95,671 shares under a 10b-18 share repurchase plan originally announced on June 6, 2018. The total cost was $893,376 at an average share price of $9.34 per share. The premium paid to acquire those shares over their per share book value in the amount of $870,805 was recorded as a decrease to retained earnings.

11. SHARE-BASED INCENTIVE PLANS

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.

Under the stock option program, stock options for up to 10% of the number of issued and outstanding common shares could be granted from time to time, provided that stock options in favor of any one individual may not exceed 5% of the issued and outstanding common shares. No stock option granted under the stock option program is transferable by the optionee other than by will or the laws of descent and distribution, and each stock option is exercisable during the lifetime of the optionee only by such optionee. Generally, no option can be for a term of more than 10 years from the date of the grant.

The exercise price of all stock options, granted under the stock option program, must be at least equal to the fair market value (subject to regulated discounts) of such common shares on the date of grant. Options vested at the discretion of the Board of Directors.

During the year ended August 31, 2020, the Company's Board of Directors approved the termination of the stock option program. The Company had no stock options outstanding as of August 31, 2020 and August 31, 2019.

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, 2020, the maximum number of shares available to be issued under the Plan was 39,712.

During the year ended August 31, 2019, the Company issued 2,294 common shares under the Plan to the Company's CEO as a portion of his earned fiscal 2018 bonus as approved by the Board. The value of this award was $18,444, with the number of shares issued determined by the closing price of the stock on the day of the grant.

(Expressed in U.S. Dollars)

12. 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 enrollment 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, 2020 and 2019 the 401(k) compensation expense was $439,368 and $295,557, respectively.

13. DISCONTINUED OPERATIONS

Effective September 1, 2019, the Board of Directors decided to permanently close the MSI division and exit the industrial tools business. As of August 31, 2020, the remaining inventory has been liquidated, the division has been wound-up, and the subsidiary has been voluntarily dissolved. The operations and assets of MSI were significantly immaterial to the Company’s overall performance. As such, separate disclosure of MSI’s operations as discontinued operations within the Company’s statement of operations was not considered necessary.

14. SEGMENT INFORMATION

The Company has four principal reportable segments. Three segments are continuing operations and one, Industrial Tools and Clamps, is considered as a discontinued operation. 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:

		2020		2019
Sales to unaffiliated customers:				
Industrial wood products	$	2,285,250	$	3,910,117
Lawn, garden, pet and other		40,348,660		38,510,213
Seed processing and sales		2,071,157		2,233,406
Industrial tools and clamps		240,196		792,626
	$	44,945,263	$	45,446,362
Income (loss) before income taxes:				
Industrial wood products	$	(122,088)	$	71,192
Lawn, garden, pet and other		3,936,491		2,040,631
Seed processing and sales		(181,712)		(222,191)
Industrial tools and clamps		(237,133)		(159,914)
Corporate and administrative		493,598		1,158,426
	$	3,889,156	$	2,888,144

(Expressed in U.S. Dollars)

14. SEGMENT INFORMATION (cont'd…)

	2020	2019
Identifiable assets:		
Industrial wood products	$ 819,585	$ 977,117
Lawn, garden, pet and other	14,984,480	7,590,487
Seed processing and sales	544,161	471,888
Industrial tools and clamps	-	279,591
Corporate and administrative	6,929,735	12,895,595
	$ 23,277,961	$ 22,214,677
Depreciation and amortization:		
Industrial wood products	$ -	$ -
Lawn, garden, pet and other	29,774	23,021
Seed processing and sales	6,347	8,007
Industrial tools and clamps	2,242	489
Corporate and administrative	179,349	160,302
	$ 217,712	$ 191,819
Capital expenditures:		
Industrial wood products	$ -	$ -
Lawn, garden, pet and other	-	-
Seed processing and sales	-	-
Industrial tools and clamps	-	-
Corporate and administrative	449,282	32,732
	$ 449,282	$ 32,732
Interest expense:	$ -	$ -

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:

	2020	2019
Sales	$ 19,679,274	$ 20,544,268

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:

	2020	2019
United States	$ 43,914,053	$ 43,894,726
Canada	735,547	1,243,239
Mexico/Latin America/Caribbean	162,404	180,664
Europe	35,730	43,851
Asia/Pacific	97,529	83,882
	$ 44,945,263	$ 45,446,362

All of the Company's significant identifiable assets were located in the United States as of August 31, 2020 and 2019.

(Expressed in U.S. Dollars)

15. 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, 2020, two customers accounted for accounts receivable greater than 10% of total accounts receivable for a total of 48%. At August 31, 2019, two customers accounted for accounts receivable greater than 10% of total accounts receivable for a total of 56%. 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, 2020, there were two suppliers which each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $22,249,043. For the fiscal year ended August 31, 2019, there were two suppliers which each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $17,745,475.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Certain cash payments for the years ended August 31, 2020 and 2019 are summarized as follows:

		2020		**2019**
Cash paid during the year for:				
Interest	$	-	$	-
Income taxes	$	741,406	$	917,000

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

17. CONTINGENCY

The Company is a named party in a Civil Action in Pennsylvania. The matter is an action seeking compensation for personal injuries and is based on theories of product liability as to Jewett-Cameron. The matter arises out of a dog allegedly escaping from a Jewett-Cameron kennel product and causing personal injuries to three individuals. Jewett-Cameron is currently one of three named Defendants. As of this date, no formal responses have been made and no dates have been established governing the litigation proceedings. This matter is in its early stages making it speculative to predict as to its outcome. It is the Company’s intention to vigorously defend the lawsuit. Jewett- Cameron’s applicable liability insurer is providing a defense covering Jewett-Cameron’s legal fees and costs.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Our report on the consolidated financial statements of Jewett-Cameron Trading Company Ltd. and Subsidiaries as at August 31, 2020 and 2019 and for the years then ended is included on Page 21 of this Form 10-K. In connection with our audits of such consolidated financial statements, we have also audited the related consolidated financial statement Schedule II for the years ended August 31, 2020 and 2019 included in this Form 10-K.

In our opinion, the consolidated financial statement schedule referred to above for the years ended August 31, 2020 and 2019, when considered in relation to the consolidated financial statements taken as a whole, presents fairly in all material respects the information required to be included therein.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

November 10, 2020

A member of Nexia International

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JEWETT-CAMERON TRADING COMPANY LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENT SCHEDULE
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
AUGUST 31, 2020

	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, 2020					
Allowance deducted from related Balance sheet account:					
Inventory	$ 119,357	$ 78,105	$ -	$ 132,462	$ 65,000
Accounts Receivable	$ -	$ -	$ -	$ -	$ -
August 31, 2019					
Allowance deducted from related Balance sheet account:					
Inventory	$ 75,336	$ 164,229	$ -	$ 120,208	$ 119,357
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, 2020.

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 ---

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Table No. 4 lists as of November 1, 2020 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 Guilfoy (1) (2)	70	August 2019
Charles Hopewell	64	February 2017
Sarah Johnson (1) (2)	41	July 2017
Chris Karlin (1) (2)	59	December 2018
Frank G. Magdlen (1) (2)	73	January 2013
Michael C. Nasser	73	May 2019

(1) Member of Audit Committee.
(2) Member of Compensation Committee.

Table No. 5 lists, as of November 1, 2020, 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
Charles Hopewell	President and Chief Executive Officer	64	February 2017
Michael C. Nasser	Corporate Secretary	73	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

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 40 years of experience, including over 20 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 and is a former National Board Member of the Institute of Management Consultants USA. 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).

Frank G. Magdlen is a Chartered Financial Analyst and Chairman of the Audit Committee. He has over 40 years of business experience during which he held various financial services positions specializing in investment banking, research on small capitalization companies and portfolio management. Since 1999, he has been managing investment banking activities at GarWood Securities, LLC and The Robins Group, LLC / Crown Point Group Ltd. Mr. Magdlen has an MBA from University of Southern California, and an undergraduate degree from University of Portland.

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

Our Board of Directors has determined that Frank G. Magdlen is the "audit committee financial expert", as defined in Item 401(h) of Regulation S-K. Mr. Magdlen is independent as that term is used in Section 240.14a-101 under the Exchange Act and as defined under NASDAQ 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 Frank Magdlen (Chairman), Geoff Guilfoy, Sarah Johnson, and Chris Karlin. All current members of the Audit Committee are "independent" within the meaning of the new regulations from the SEC regarding audit committee membership. The Audit Committee met six times in fiscal 2019 and four times in fiscal 2020.

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 Sarah Johnson (Chair), Geoff Guilfoy, Chris Karlin, and Frank Magdlen. The Committee met two times in fiscal 2019 and three times in fiscal 2020.

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 was one report 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, as a Form 4 for Charles Hopewell was filed late.

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 2020, 2019 and 2018 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.

					Long-term Compensation			
					Awards		Payouts	
		Annual Compensation						
Name and Principal Position	**Fiscal Year**	**Salary**	**Bonus**	**Other Annual Comp.**	**Restricted Stock Awards**	**Securities Underlying Options/ SARS (#)**	**LTIP Payouts**	**All Other Comp. (1)**
Charles Hopewell, President, Chief Executive Officer, Principal Financial Officer								
	2020	$250,000	$ 70,000	$ -	$ -	$ -	$ -	$ 28,600
	2019	$190,000	$ 20,000	$ -	$ -	$ -	$ -	$ 9,000
	2018	$178,333	$112,221	$ -	$ -	$ -	$ -	$ 5,167
Michael Nasser, Corporate Secretary								
	2020	$187,500	$ 75,000	$ -	$ -	$ -	$ -	$ 14,850
	2019	$177,000	$ 70,000	$ -	$ -	$ -	$ -	$ 9,000
	2018	$177,000	$ 50,000	$ -	$ -	$ -	$ -	$ 10,000

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

The Company has a 401(k) Plan for executives is a dollar-for-dollar match on the first 10% of eligible compensation, which was changed for 2020 from 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 2020 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, 2020, the Company issued Nil common shares (fiscal 2019 – 2,294) under the Restricted Share Plan.

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, 2020 and 2019 the 401(k) compensation expense was $439,368 and $295,557, respectively. The contributions for Charles Hopewell were $28,600 and $9,000 for the fiscal years ended August 31, 2020 and 2019 respectively. The contributions for Michael Nasser were $14,850 and $9,000 for the fiscal years ended August 31, 2020 and 2019 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 2019 or 2020, and the Company had no stock options outstanding as of August 31, 2020 and August 31, 2019.

Long-Term Incentive Plan / Defined Benefit or Actuarial Plan

During fiscal 2020 the Company had no Long-Term Incentive Plan ("LTIP") and no LTIP awards were made. Also, during fiscal 2020 the Company had no Defined Benefit or Actuarial Plan.

Compensation Committee Interlocks and Insider Participation

The Company's Compensation Committee consists of 4 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 is 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 2020 the following cash payments were paid to directors to compensate them for board meetings attended: Charles Hopewell $Nil (2019 - $Nil); Frank Magdlen $12,000 (fiscal 2019 - $10,600), Geoff Guilfoy $12,000 (fiscal 2019 - $3,600); Sarah Johnson $12,000 (fiscal 2019 -$10,600); and Chris Karlin $12,000 (fiscal 2019 - $8,800).

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 2019 and 2020 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 October 23, 2020.

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	568,836	16.3%
Common	Donald Boone Irrev Trust	512,168	14.7%
Common	Michael C. Nasser	31,888	0.9%
Common	Charles E. Hopewell	12,294	0.4%
Common	Geoff Guilfoy	Nil	-
Common	Sarah Johnson	Nil	-
Common	Chris Karlin	Nil	-
Common	Frank Magdlen	Nil	-
Total Directors, Executive Officers, and 5% Shareholders		1,125,186	32.3%

(1) Based on 3,481,162 shares outstanding as of October 23, 2020.

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 2020**	**2019**
Audit fees	$ 90,000	$ 90,000
Tax fees	10,250	5,000
All other fees (1)	24,750	24,750
Total	$ 125,000	$ 119,750

(1) FY2020: $8,250 to review the Q1 Form 10Q
$8,250 to review the Q2 Form 10Q
$8,250 to review the Q3 Form 10Q

FY2019: $8,250 to review the Q1 Form 10Q
$8,250 to review the Q2 Form 10Q
$8,250 to review the Q3 Form 10Q

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

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 10, 2020	By: /s/ "Charles E. Hopewell" Charles E. Hopewell, President, CEO, Principal Financial Officer and Director

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 10, 2020	By: *"/s/ "Charles E. Hopewell"* Charles E. Hopewell, President, CEO, Principal Financial Officer and Director
Dated: November 10, 2020	By: */s/ "Michael C. Nasser"* Michael C. Nasser, Corporate Secretary and Director
Dated: November 10, 2020	By: */s/ "Geoff Guilfoy"* Geoff Guilfoy, Director
Dated: November 10, 2020	By: */s/ "Sarah Johnson"* Sarah Johnson, Director
Dated: November 10, 2020	By: */s/ "Chris Karlin"* Chris Karlin, Director
Dated: November 10, 2020	By: */s/ "Frank Magdlen"* Frank Magdlen, Director

CERTIFICATIONS

I, Charles E. Hopewell, 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 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 10 2020

By: */s/ "Charles E. Hopewell"*
Charles E. Hopewell,
President and Chief Executive Officer
and Principal 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 period ended August 31, 2020 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 10, 2020

Signed: */s/ "Charles E. Hopewell"*
Charles E. Hopewell,
President and Chief Executive Officer
and Principal Financial Officer