UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MAY 31, 2013

[ ] 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.

(Exact Name of Registrant as Specified in its Charter)

BRITISH COLUMBIA	**NONE**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
32275 N.W. Hillcrest, North Plains, Oregon	**97133**
(Address Of Principal Executive Offices)	(Zip Code)

(503) 647-0110

(Registrant’s Telephone Number, Including Area Code)

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 12 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. **[X] Yes** [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller Reporting Company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] **No [X]**

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock, no par value – 3,135,128 common shares as of July 11, 2013.

Jewett-Cameron Trading Company Ltd.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

JEWETT-CAMERON TRADING COMPANY LTD.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
(Unaudited – Prepared by Management)

MAY 31, 2013

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	May 31, 2013	August 31, 2012
ASSETS		
Current assets		
Cash	$ 7,678,879	$ 7,309,388
Accounts receivable, net of allowance of $0 (August 31, 2012 - $6,509)	4,820,700	3,092,842
Inventory, net of allowance of $139,333 (August 31, 2012 - $139,869) (note 3)	4,674,912	7,085,389
Note receivable	15,000	20,000
Prepaid expenses	1,890,437	388,957
Prepaid income taxes	125,868	-
Total current assets	19,205,796	17,896,576
Property, plant and equipment, net (note 4)	1,995,645	1,997,109
Intangible assets, net (note 5)	384,767	444,203
Deferred income taxes (note 6)	-	101,573
Total assets	$ 21,586,208	$ 20,439,461

- Continued -

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

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	May 31, 2013	August 31, 2012
Continued		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 410,948	$ 1,577,182
Litigation reserve (note 12(a))	150,837	170,819
Accrued liabilities	1,215,732	1,181,067
Accrued income taxes	-	37,203
Total current liabilities	1,777,517	2,966,271
Deferred tax liability (note 6)	50,444	-
Total liabilities	1,827,961	2,966,271
Contingent liabilities and commitments (note 12)		
Stockholders' equity		
Capital stock (note 8)		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
3,135,128 common shares (August 31, 2012 – 3,135,942)	1,479,337	1,479,721
Additional paid-in capital	600,804	600,804
Retained earnings	17,678,106	15,392,665
Total stockholders' equity	19,758,247	17,473,190
Total liabilities and stockholders' equity	$ 21,586,208	$ 20,439,461

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

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods to May 31,		Nine Month Periods to May 31,	
	2013	**2012**	**2013**	**2012**
SALES	$ 15,051,509	$ 16,113,435	$ 38,575,738	$ 35,105,842
COST OF SALES	12,021,388	13,306,308	31,114,942	28,741,219
GROSS PROFIT	3,030,121	2,807,127	7,460,796	6,364,623
OPERATING EXPENSES				
Selling, general and administrative expenses	372,191	233,947	1,176,173	1,122,892
Depreciation and amortization	66,735	61,279	188,431	186,773
Wages and employee benefits	904,687	955,702	2,658,240	2,663,388
	1,343,613	1,250,928	4,022,844	3,973,053
Income from operations	1,686,508	1,556,199	3,437,952	2,391,570
OTHER ITEMS				
Gain on sale of property, plant and equipment	-	-	353,852	-
Interest and other income	6,734	7,234	30,049	7,234
Interest expense (note 12(a))	-	(743)	(400)	(743)
Litigation income (note 12(a))	-	-	-	1,443,629
	6,734	6,491	383,501	1,450,120
Income before income taxes	1,693,242	1,562,690	3,821,453	3,841,690
Income tax expense	(674,678)	(625,600)	(1,531,512)	(1,552,793)
Net income	$ 1,018,564	$ 937,090	$ 2,289,941	$ 2,288,897
Basic earnings per common share	$ 0.32	$ 0.29	$ 0.73	$ 0.65
Diluted earnings per common share	$ 0.32	$ 0.29	$ 0.73	$ 0.65
Weighted average number of common shares outstanding:				
Basic	3,135,128	3,199,702	3,135,641	3,547,718
Diluted	3,135,128	3,199,702	3,135,641	3,547,718

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

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Common Stock				
	Number of Shares	Amount	Additional paid-in capital	Retained earnings	Total
August 31, 2010	4,623,874	$ 2,181,814	$ 600,804	$ 17,263,951	$ 20,046,569
Shares repurchased and cancelled (note 9)	(806,960)	(380,771)	-	(3,079,374)	(3,460,145)
Net income	-	-	-	902,394	902,394
August 31, 2011	3,816,914	1,801,043	600,804	15,086,971	17,488,818
Shares repurchased and cancelled (note 9)	(680,972)	(321,322)	-	(2,754,237)	(3,075,559)
Net income	-	-	-	3,059,931	3,059,931
August 31, 2012	3,135,942	1,479,721	600,804	15,392,665	17,473,190
Shares repurchased and cancelled (note 9)	(814)	(384)	-	(4,500)	(4,884)
Net income	-	-	-	2,289,941	2,289,941
May 31, 2013	3,135,128	$ 1,479,337	$ 600,804	$ 17,678,106	$ 19,758,247

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

JEWETT-CAMERON TRADING COMPANY LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(Prepared by Management)
(Unaudited)

	Three Month Periods to May 31,		Nine Month Periods to May 31,	
	2013	**2012**	**2013**	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$ 1,018,564	$ 937,090	$ 2,289,941	$ 2,288,897
Items not involving an outlay of cash:				
Depreciation and amortization	66,735	61,279	188,431	186,773
Gain on sale of property, plant and equipment	-	-	(353,852)	-
Deferred income tax expense	594	495	152,017	2,052
Interest income on litigation	(6,734)	-	(19,982)	-
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable	2,474,524	(1,219,911)	(1,727,858)	(1,276,868)
Decrease in inventory	1,017,381	1,484,917	2,410,477	817,143
(Increase) decrease in note receivable	(15,000)	-	5,000	(20,000)
Increase in prepaid expenses	(459,525)	(506,245)	(1,501,480)	(859,629)
(Increase) decrease in prepaid income taxes	128,084	-	(125,868)	682,527
Decrease in accounts payable and accrued liabilities	(835,443)	(16,511)	(1,131,569)	(1,035,089)
Increase (decrease) in accrued income taxes	-	(24,188)	(37,203)	204,170
Net cash provided by operating activities	3,389,180	716,926	148,054	989,976
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(52,889)	(5,675)	(183,679)	(36,206)
Purchase of intangible assets and other	-	-	-	(13,050)
Proceeds from sale of property, plant and equipment	-	-	410,000	-
Net cash provided by (used in) investing activities	(52,889)	(5,675)	226,321	(49,256)
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of common stock	-	(382,510)	(4,884)	(3,075,559)
Net cash used in financing activities	-	(382,510)	(4,884)	(3,075,559)
Net increase (decrease) in cash	3,336,291	328,741	369,491	(2,134,839)
Cash, beginning of period	4,342,588	4,310,547	7,309,388	6,774,127
Cash, end of period	$ 7,678,879	$ 4,639,288	$ 7,678,879	$ 4,639,288

Supplemental disclosure with respect to cash flows (note 15)

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. JCLC has the following wholly owned subsidiaries: MSI-PRO Co. ("MSI"), incorporated April 1996, Jewett-Cameron Seed Company, ("JCSC"), incorporated October 2000, and Greenwood Products, Inc. ("Greenwood"), incorporated February 2002. 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. JCLC'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. MSI is an importer and distributor of pneumatic air tools and industrial clamps in the United States. JCSC is a processor and distributor of agricultural seeds in the United States.

These unaudited financial statements are those of the Company and its wholly owned subsidiaries. In the opinion of management, the accompanying Consolidated Financial Statements of Jewett-Cameron Trading Company Ltd., contain all adjustments, consisting only of normal recurring adjustments, necessary to fairly state its financial position as of May 31, 2013 and August 31, 2012 and its results of operations and cash flows for the three and nine month periods ended May 31, 2013 and 2012 in accordance with generally accepted accounting principles of the United States of America ("U.S. GAAP"). Operating results for the three and nine month periods ended May 31, 2013 are not necessarily indicative of the results that may be experienced for the fiscal year ending August 31, 2013.

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 wholly owned subsidiaries, JCLC, MSI, JCSC, and Greenwood, all of which are incorporated under the laws of Oregon, U.S.A.

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

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.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Cash and cash equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. At May 31, 2013, cash was $7,678,879 compared to $7,309,388 at August 31, 2012. At May 31, 2013 and August 31, 2012, there were no cash equivalents.

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	5-7 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. The most significant intangible assets are two patents related to gate support systems. Amortization is calculated using the straight-line method over the remaining lives of 57 months and 69 months, respectively, and are reviewed annually for impairment.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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 consolidated financial statements are expressed in U.S. dollars as the Company's operations are based only 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 income statement 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. The number of common shares outstanding has been adjusted for a 2 for 1 forward stock split effective May 2, 2013 (note 8).

The earnings per share data for the periods ended on May 31, 2013 and 2012 are as follows:

	Three Month Periods Ended May 31,		Nine Month Periods Ended May 31,	
	2013	2012	2013	2012
Net income	$ 1,018,564	$ 937,090	$ 2,289,941	$ 2,288,897
Basic weighted average number of common shares outstanding	3,135,128	3,199,702	3,135,641	3,547,718
Effect of dilutive securities Stock options	-	-	-	-
Diluted weighted average number of common shares outstanding	3,135,128	3,199,702	3,135,641	3,547,718

Comprehensive income

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

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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 nine month period ended May 31, 2013, and there were no options outstanding on May 31, 2013.

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 receivable - the carrying amounts approximate fair value due to the short-term nature of the amount.

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

The estimated fair values of the Company's financial instruments as of May 31, 2013 and August 31, 2012 follows:

	May 31, 2013		August 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	$7,678,879	$7,678,879	$7,309,388	$7,309,388
Accounts receivable, net of allowance	4,820,700	4,820,700	3,092,842	3,092,842
Note receivable	15,000	15,000	20,000	20,000
Accounts payable and accrued liabilities	1,626,680	1,626,680	2,758,249	2,758,249

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

The following table presents information about the assets that are measured at fair value on a recurring basis as of May 31, 2013, 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 in situations where there is little, if any, market activity for the asset:

	May 31, 2013	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash	$ 7,678,879	$ 7,678,879	$ —	$ —

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 goods sold in the consolidated statement of operations. All costs billed to the customer are included as revenue in the consolidated statement of operations.

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Revenue recognition

The Company recognizes revenue from the sales of lumber, building supply products, industrial wood products and 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 and products sold and collection of the amounts is reasonably assured.

(Expressed in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Reclassifications

Certain reclassifications have been made to prior periods' consolidated financial statements to conform to the classifications used in the current period.

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS", which provides guidance to achieve common fair value measurement and disclosure requirements between GAAP and International Financial Reporting Standards. This guidance amends current fair value measurement and disclosure guidance to include increased transparency around valuation inputs and investment categorization. The guidance is effective for fiscal years and interim periods beginning after December 15, 2011. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, "Presentation of Comprehensive Income" which provides guidance regarding presentation of other comprehensive income in the financial statements. This guidance will eliminate the option under GAAP to present other comprehensive income in the statement of changes in equity. Under the guidance, the Company will have the option to present the components of net income and comprehensive income in either one or two consecutive financial statements. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08 "Testing Goodwill for Impairment", which gives companies the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount before performing the two-step test mandated prior to this update. This ASU also provides companies with a revised list of examples of events and circumstances to consider, in their totality, to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a company concludes that this is the case, it must perform the two-step test. Otherwise, a company may skip the two-step test. Companies are not required to perform the qualitative assessment and may instead proceed directly to the first step of the two-part test. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements

3. INVENTORY

A summary of inventory is as follows:

	May 31, 2013	August 31, 2012
Wood products and metal products	$ 4,156,201	$ 6,457,600
Industrial tools	464,284	437,347
Agricultural seed products	54,427	190,442
	$ 4,674,912	$ 7,085,389

(Expressed in U.S. Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant, and equipment is as follows:

	May 31, 2013	August 31, 2012
Office equipment	$ 565,232	$ 491,470
Warehouse equipment	1,433,335	1,343,311
Buildings	2,382,448	2,362,555
Land	761,924	818,072
	5,142,939	5,015,408
Accumulated depreciation	(3,147,294)	(3,018,299)
Net book value	$ 1,995,645	$ 1,997,109

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 is as follows:

	May 31, 2013	August 31, 2012
Patent	$ 850,000	$ 850,000
Other	43,655	43,655
	893,655	893,655
Accumulated amortization	(508,888)	(449,452)
Net book value	$ 384,767	$ 444,203

6. DEFERRED INCOME TAXES

Deferred income tax liabilities as of May 31, 2013 of $50,444, and deferred tax assets as of August 31, 2012 of $101,573 reflect 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.

7. BANK INDEBTEDNESS

There was no bank indebtedness under the Company's line of credit as of May 31, 2013 or August 31, 2012.

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 200 basis points.

8. 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.

Common Stock Split

The Company declared a two for one stock split of its common stock with a record date of the close of business on April 25, 2013. Shareholders received one additional common share for each common share held as of the record date. The stock split was effective as of May 2, 2013. Share and per share data have been retroactively adjusted to reflect the effects of the stock split.

9. 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 2013 ended February 28, 2013, the Company repurchased and cancelled a total of 814 common shares common shares of its common stock under a 10b5-1 share repurchase plan. The total cost was $4,884 at an average price of $6.00 per share. The premium paid to acquire these shares over their per share book value in the amount of $4,500 was recorded as a decrease to retained earnings.

During the 3rd quarter of fiscal 2012 ended May 31, 2012, the Company repurchased and cancelled a total of 83,798 common shares of its common stock under a 10b5-1 share repurchase plan. The total cost was $382,510 at an average price of $4.56 per share. The premium paid to acquire these shares over their per share book value in the amount of $342,969 was recorded as a decrease to retained earnings.

During the 2nd quarter of fiscal 2012 ended February 29, 2012, the Company repurchased and cancelled a total of 497,174 shares of its common stock under a 10b5-1 share repurchase plan. The total cost was $2,238,929 at an average share price of $4.50 per share. The premium paid to acquire these shares over their per share book value in the amount of $2,004,334 was recorded as a decrease to retained earnings.

During the 1st quarter of fiscal 2012 ended November 30, 2011, the Company repurchased and cancelled a total of 100,000 shares of its common stock under a 10b5-1 share repurchase plan. The total cost was $454,120 at an average share price of $4.54 per share. The premium paid to acquire these shares over their per share book value in the amount of $406,934 was recorded as a decrease to retained earnings.

(Expressed in U.S. Dollars)

10. STOCK OPTIONS

The Company has a stock option program under which stock options to purchase securities from the Company can 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 may 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 vest at the discretion of the board of directors.

The Company had no stock options outstanding as of May 31, 2013 and August 31, 2012.

11. EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP")

The Company sponsors an ESOP that covers all U.S. employees who are employed by the Company on August 31 of each year and who have at least one thousand hours with the Company in the twelve months preceding that date. The ESOP formerly held common shares of the Company and granted to participants in the plan certain ownership rights in, but not possession of, or voting control of, any common stock of the Company held by the Trustee of the Plan. Shares of common stock were allocated annually to participants in the ESOP pursuant to a prescribed formula. The Company records compensation expense based on the market price of the Company's shares when they were allocated. Any dividends on allocated ESOP shares are recorded as a reduction of retained earnings. Beginning in fiscal 2010, the ESOP began its investment in diversified mutual funds. During fiscal 2011 and 2012, all of the Company's shares held by the ESOP were sold, with the majority repurchased by the Company and cancelled under the 10b5-1 share repurchase plans. Effective June 30, 2012, the ESOP has been terminated, subject to the approval of the Internal Revenue Service. No further contributions shall be made to the ESOP. Upon receipt of approval from the Internal Revenue Service, the remaining assets shall be distributed to the participants pursuant to the terms of the Plan.

ESOP compensation expense was $Nil for the nine month period ended May 31, 2013, and $Nil for the fiscal year ended August 31, 2012, respectively, and is included in wages and employee benefits. The ESOP shares are as follows:

	May 31, 2013	**August 31, 2012**
Shares owned by ESOP	Nil	Nil

(Expressed in U.S. Dollars)

12. CONTINGENT LIABILITIES AND COMMITMENTS

a) A subsidiary was a plaintiff in a lawsuit filed in Portland, Oregon, entitled, Greenwood Products, Inc. et al v. Greenwood Forest Products, Inc. et al., Case No. 05-02553 (Multnomah County Circuit Court).

During fiscal 2002 the Company entered into a purchase agreement to acquire inventory over a 15 month period with an initial estimated value of $7,000,000 from Greenwood Forest Products, Inc. During the year ended August 31, 2003, the Company completed the final phase of the inventory acquisition. As partial consideration for the purchase of the inventory the Company issued two promissory notes, based on its understanding of the value of the inventory purchased. The Company believes it overpaid the obligation by approximately $820,000. The holder counterclaimed for approximately $2,400,000.

Litigation was completed on March 5, 2007, with the court's general judgment and money award. The net effect was money judgment in favor of Greenwood Forest Products, Inc. for $242,604. The Company accrued reserves to cover the money judgment related to this dispute. Both parties filed appeals for review of the court's opinion.

During the 1st quarter of fiscal 2011, the Oregon Court of Appeals ruled that the judgment in favor of Jewett Cameron as plaintiffs should be reversed and the judgment in favor of the defendants should stand. The judgment in favor of the Company was for $819,000 plus attorneys fees. The judgment against the plaintiffs is for $1,187,137. The Company appealed the decision to the Oregon Supreme Court. During the 1st quarter of fiscal 2011, the Company recorded a litigation loss of $962,137 and interest of $391,988 in addition to the existing litigation reserve of $225,000. Additional interest of $48,790 was recorded during the remainder of fiscal 2011. During the 1st quarter of fiscal 2012 ended November 30, 2011, additional interest of $16,204 was accrued.

In February 2012, the Company received the decision from the Oregon Supreme Court which was favorable to Jewett Cameron as plaintiff. As a result, the Company has reversed $1,459,832 of the litigation reserve and accrued interest during the 2nd quarter of fiscal 2012 ended February 29, 2012. The reversal was treated as a one-time gain during the quarter.

During the year ended August 31, 2012, the Company recorded $13,467 of interest income due to the favourable difference in interest rates between the judgments. During the first nine months of fiscal 2013 ended May 31, 2013, the Company recorded $19,982 of interest income.

A summary of the litigation reserve is as follows:

	May 31, 2013	August 31, 2012
Litigation loss	$ -	$ -
Litigation reserve	170,819	184,286
Interest expense	-	-
Interest income	(19,982)	(13,467)
Total	$ 150,837	$ 170,819

b) At May 31, 2013 and August 31, 2012 the Company had an un-utilized line-of-credit of $5,000,000 (note 7). The line-of-credit has certain financial covenants. The Company is in compliance with these covenants.

(Expressed in U.S. Dollars)

13. SEGMENT INFORMATION

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

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

Following is a summary of segmented information for the nine month periods ended May 31, 2013 and 2012.

	2013		2012	
Sales to unaffiliated customers:				
Industrial wood products	$ 5,935,267		$ 5,700,139	
Lawn, garden, pet and other	26,742,571		22,874,080	
Seed processing and sales	4,193,249		4,452,635	
Industrial tools and clamps	1,704,651		2,078,988	
	$ 38,575,738		$ 35,105,842	
Income (loss) before income taxes:				
Industrial wood products	$ (10,469)		$ (150,505)	
Lawn, garden, pet and other	3,287,551	*	2,375,934	*
Seed processing and sales	121,749		116,771	
Industrial tools and clamps	110,655		108,239	
Unallocated overhead	(41,885)		(59,112)	
	$ 3,467,601		$ 2,391,327	
Identifiable assets:				
Industrial wood products	$ 1,659,045		$ 2,181,410	
Lawn, garden, pet and other	19,167,457		15,561,693	
Seed processing and sales	111,381		388,133	
Industrial tools and clamps	602,305		786,072	
Unallocated overhead	46,020		42,955	
	$ 21,586,208		$ 18,960,263	
Depreciation and amortization:				
Industrial wood products	$ 634		$ 1,209	
Lawn, garden, pet and other	171,525		168,711	
Seed processing and sales	11,549		13,198	
Industrial tools and clamps	4,723		3,655	
	$ 188,431		$ 186,773	

* For comparability purposes, the 2013 amount excludes gain on sale of property, plant and equipment of $353,852. The 2012 amount excludes reversal of litigation reserve of $1,443,629 and related interest of $6,734.

(Expressed in U.S. Dollars)

13. SEGMENT INFORMATION (cont'd…)

	2013	2012
Capital expenditures:		
Industrial wood products	$ 3,602	$ -
Lawn, garden, pet and other	171,222	23,721
Seed processing and sales	1,476	2,485
Industrial tools and clamps	7,379	10,000
	$ 183,679	$ 36,206
Interest expense:		
Lawn, garden, pet and other	$ 400	$ 743

The following table lists sales made by the Company to customers which were in excess of 10% of total sales for the nine month periods ended May 31, 2013 and 2012:

	2013	2012
Sales	$ 12,475,035	$ 11,743,006

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 nine month periods ended May 31, 2013 and 2012:

	2013	2012
United States	$ 34,320,602	$ 31,908,507
Canada	1,889,696	1,831,358
Mexico / Latin America	2,256,420	944,623
Europe	54,615	341,925
Asia/Pacific	54,405	79,429
	$ 38,575,738	$ 35,105,842

All of the Company's significant identifiable assets were located in the United States as of May 31, 2013 and 2012.

(Expressed in U.S. Dollars)

14. 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 May 31, 2013, two customers accounted for accounts receivable greater than 10% of total accounts receivable at 64%. At May 31, 2012, two customers accounted for accounts receivable greater than 10% of total accounts receivable at 62%. 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 nine months ended May 31, 2013, there were two suppliers that accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $12,622,276. For the nine months ended May 31, 2012, there were two suppliers that each accounted for greater than 10% of total purchases, and the aggregate purchases amounted to $12,693,623.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Certain cash payments for the three month and nine month periods ended May 31, 2013 and 2012 are summarized as follows:

	Three Month Periods Ended May 31		**Nine Month Periods Ended May 31**	
	2013	2012	2013	2012
Cash paid during the periods for:				
Interest	$ -	$ 743	$ 400	$ 743
Income taxes	$ 546,000	$ 633,435	$ 1,530,812	$ 633,435

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

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

These unaudited consolidated financial statements are those of the Company and its wholly owned subsidiaries. In the opinion of management, the accompanying Consolidated Financial Statements of Jewett-Cameron Trading Company Ltd., contain all adjustments, consisting only of normal recurring adjustments, necessary to fairly state its financial position as of May 31, 2013 and August 31, 2012 and its results of operations and cash flows for the nine month periods May 31, 2013 and 2012 in accordance with U.S. GAAP. Operating results for the three and nine month periods ended May 31, 2013 are not necessarily indicative of the results that may be experienced for the full fiscal year ending August 31, 2013.

The Company's operations are classified into four reportable segments, 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
- Industrial tools

The industrial wood products segment reflects the business conducted by Greenwood Products, Inc. (Greenwood), a wholly owned subsidiary of Jewett-Cameron Lumber Corporation (JCLC). Greenwood is a processor and distributor of industrial wood products. A major product category is treated plywood that is sold to boat manufacturers and the transportation industry.

The lawn, garden, pet and other segment reflects the business of Jewett-Cameron Lumber Corporation, which is a manufacturer and distributor of specialty metal products and a wholesaler of wood products. Wood products include fencing and landscape timbers, while metal products include dog kennels, proprietary gate support systems, perimeter fencing, and greenhouses. JCLC uses contract manufacturers to make the specialty metal products. Some of the products that JCLC 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 and other retailers.

The seed processing and sales segment reflects the business of Jewett-Cameron Seed Company (JCSC), a wholly owned subsidiary of JCLC. 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 industrial tools segment reflects the business of MSI-PRO (MSI), a wholly owned subsidiary of JCLC. MSI imports and distributes products including pneumatic air tools, industrial clamps, and saw blades; that are primarily sold to retailers that in turn sell to contractors and end users. Some of these products carry the Avenger Products brand label.

RESULTS OF OPERATIONS

Three Months Ended May 31, 2013 and May 31, 2012

For the three months ended May 31, 2013, sales totaled $15,051,509, a decrease of $1,061,926 compared to sales of $16,113,435 for the three months ended May 31, 2012. The decrease is primarily due to lower sales at JCSC and MSI.

Sales at Greenwood were $1,862,740 for the three months ended May 31, 2013 compared to sales of $1,992,944 for the three months ended May 31, 2012, which was a decrease of $130,204 or 6.5%. The boat manufacturing industry remains very weak, which has resulted in lower demand for Greenwood's industrial wood products. Operating loss at Greenwood was ($20,795) for the three months ended May 31, 2013, which was an improvement of $7,952 from the loss of ($28,747) recorded in the same period a year ago.

Sales at JCLC for the three months ended May 31, 2013 were $11,737,628 compared to sales of $11,923,892 for the three months ended May 31, 2012. This represents a decrease of $186,264, or 1.6%. Operating income was $1,721,414, which was an increase of $242,224 compared to operating income of $1,479,190 in the year-ago quarter. The higher operating income is primarily due to an increasing shift towards e-commerce sales of our metal products through our customer's online websites, which results in lower costs and higher margins.

Sales at JCSC were $692,239 for the three months ended May 31, 2013 compared to sales of $1,192,099 for the three months ended May 31, 2012. This represents a decrease of $499,860, or 42%. Product seed sales decreased primarily due to the departure of our lead salesman during the quarter. Seed cleaning service revenue has decreased due to an overall reduction in grass seed acres, combined with a consolidation of growers who clean in-house. Operating loss for the current quarter was ($49,638) compared to operating income of $3,290 in the year-ago quarter. The decline in operating income was directly attributable to the lower level of sales in the current quarter.

Sales at MSI were $758,903 for the three months ended May 31, 2013 compared to sales of $1,004,499 for the three months ended May 31, 2012 which was a decrease of $245,596, or 24%. Operating income was $54,411 compared to operating income of $106,358 in the quarter ended May 31, 2012. The decline in operating income was in line with the lower level of sales.

Gross margin for the three month period ended May 31, 2013 was 20.1% compared to 17.4% for the three months ended May 31, 2012. The increase was largely due to a more favorable product mix in the current quarter, and an increasing shift towards e-commerce sales of our metal products through our customer's online websites.

Operating expenses for the three month period ended May 31, 2013 increased by $92,686 to $1,343,614 compared to $1,250,928 for the three month period ended May 31, 2012. Selling, General and Administrative Expenses increased by $138,244 to $372,191 compared to $233,947. Wages and Employee Benefits declined to $904,688 from $955,702 recorded in the year ago period. Depreciation and Amortization rose to 66,735 from $61,279.

Income tax expense for the three month period ended May 31, 2013 was $674,678 compared to $625,600 for the three month period ended May 31, 2012. The Company estimates income tax expense for the quarter based on combined federal and state rates that are currently in effect.

Net income for the three month period ended May 31, 2013 was $1,018,564, or $0.32 per share, compared to net income of $937,090, or $0.29 per share, for the three month period ended May 31, 2012, after adjustment for the 2 for 1 stock split effective May 2, 2013. The increase in earnings per share was due to the higher net income as well as a reduction in the weighted average number of common shares outstanding as a result of the repurchase and cancellation of common shares by the Company.

Nine Months Ended May 31, 2013 and May 31, 2012

For the nine months ended May 31, 2013, sales increased by $3,469,896, or 9.9%, to $38,575,738 from $35,105,842 for the nine months ended May 31, 2012. The increase primarily reflects higher sales at JCLC.

Sales at Greenwood were $5,935,268 for the nine months ended May 31, 2013 compared to sales of $5,700,139 for the nine months ended May 31, 2012. This is an increase of $235,129, or 4%. The increase in sales was due to successful sales efforts obtaining international export orders for our specialty plywood. The marine market, however, remains very weak. Sales to boat manufacturers represented approximately 20% of Greenwood's total sales for the nine months ended May 31, 2013, and demand from these kinds of customers has been severely affected by the uncertain economic environment. Boat manufacturers continue to work down excess inventory accumulated over the past several years, and until such point, we do not foresee an industry recovery. We continue to develop a readiness to participate when the market rebounds. Operating loss at Greenwood was ($10,469) for the current nine month period compared to an operating loss of ($131,191) for the nine months ended May 31, 2012.

Sales at JCLC were $26,742,571 for the nine months ended May 31, 2013 compared to sales of $22,874,080 for the nine months ended May 31, 2012. This represents an increase of $3,868,491, or 17%. The higher sales were due to several factors. The Company's older products have increased their market share with existing customers due to our sales efforts and the Company being recognized as a reliable and valued supplier. Also, the weakened economy has resulted in many consumers employing a "staycation" approach which has produced increased spending on home and backyard projects, including their pets. Therefore, many of our customers have expanded their pet product lines, including adding the Company's newer pet containment products. Operating income increased to $3,217,884 from $2,310,720 for the nine months ended May 31, 2012. Overall, the operating results of JCLC are seasonal with the first two quarters of the fiscal year being much slower than the final two quarters of the fiscal year.

Sales at JCSC were $4,193,249 for the nine months ended May 31, 2013 compared to sales of $4,452,635 for the nine months ended May 31, 2012, which was a decrease of $259,386, or 6%. Higher cereal and livestock feed prices prevalent in the last several years have caused a shift by some growers from grass seed to grains, which have begun to have a positive effect on surpluses and wholesale prices. However, demand remains relatively weak, primarily from the new home construction and golf course industry in North America. Operating income for the current nine month period was $142,663, which was a slight increase from operating income of $142,578 recorded in the prior year's nine month period.

Sales at MSI were $1,704,651 for the nine months ended May 31, 2013 compared to sales of $2,078,988 for the nine months ended May 31, 2012 which was a decrease of $374,337 or 18%. The Company has wound down certain sales programs of its lower margin products and has concentrated on selling its more profitable products. Although sales declined by 18%, operating income rose to $129,774 from $127,832 for the nine month period ended May 31, 2012.

Gross margin for the nine month period ended May 31, 2013 was 19.3% compared to 18.1% for the nine months ended May 31, 2012.

Operating expenses for the current nine month period rose slightly to $4,022,844 compared to expenses of $3,973,053 for the nine months ended May 31, 2012. Selling and Administrative expenses increased to $1,176,173 from $1,122,892. Wages and Employee Benefits were largely unchanged at $2,658,240 for the nine months ended May 31, 2013 compared to $2,663,388 for the nine months ended May 31, 2012. Depreciation and Amortization rose slightly to $188,431 from $186,773 recorded in the prior nine month period.

Other items in the current nine month period ended May 31, 2013 included the gain on sale of property, plant and equipment of $353,852 from the sale of approximately 1.64 acres of land to the State of Oregon. In the nine months ended May 31, 2012, the Company recorded the reversal of Litigation Reserves of $1,443,629 due to the favorable decision for the Company from the Oregon Supreme Court in the Company's lawsuit filed in relation to the acquisition of inventory by Greenwood Products. Including the other items, income before income taxes totaled $3,821,453 compared to $3,841,690 for the nine months ended May 31, 2012. Income tax expense for the current nine months was $1,531,512 compared to $1,552,793 for the nine months ended May 31, 2012. The Company estimates income tax expense for the period based on combined federal and state rates that are currently in effect.

Net income for the nine month period ended May 31, 2013 was $2,289,941, or $0.73 per share, compared to net income of $2,288,897, or $0.65 per share, for the nine month period ended May 31, 2012, after adjustment for the 2 for 1 stock split effective May 2, 2013. The increase in earnings per share for the current nine months was positively affected due to a reduction in the weighted average number of common shares outstanding as a result of the repurchase and cancellation of common shares by the Company.

LIQUIDITY AND CAPITAL RESOURCES

As of May 31, 2013, the Company had working capital of $17,428,279 compared to working capital of $14,930,305 as of August 31, 2012, an increase of $2,497,974. The largest differences in individual components in working capital during the period were a $369,491 increase in cash; a $1,727,858 increase in accounts receivable due to the seasonal cycle of sales to customers and the related timing of cash receipts; a decrease of $2,410,477 in inventory as the Company typically carries lower inventory in the third quarter due to the seasonal timing of its sales; a decrease of $5,000 in note receivable as the balance of $20,000 on one note was repaid and a new note of $15,000 was subsequently issued; an increase of $1,501,480 in prepaid expenses which is largely related to down payments for future inventory purchases; an increase of $125,868 in prepaid income taxes. Accounts payable declined by $1,166,234 due to the timing of payments to suppliers; accrued liabilities rose slightly by $34,665; accrued income taxes fell by $37,203 due to the timing of estimated tax payments; and litigation reserve declined by $19,982 as differences in interest rates resulted in a reduction in the amount reserved.

As of May 31, 2013, accounts receivable and inventory represented 49% of current assets and 44% of total assets. For the three months ended May 31, 2013, the accounts receivable collection period, or DSO, was 29 compared to 30 for the three months ended May 31, 2012. For the nine month period ended May 31, 2013, the DSO was 34 compared to 40 for the nine months ended May 31, 2012. Inventory turnover for the three months ended May 31, 2013 was 40 days compared to 40 days for the three months ended May 31, 2012. For the nine months ended May 31, 2013, inventory turnover was 52 days compared to 52 days for the nine months ended May 31, 2012.

External sources of liquidity include a line of credit from U.S. Bank of $5,000,000 of which the Company had no borrowing against at May 31, 2013. 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 200 basis points. As of May 31, 2013, the one month LIBOR rate plus 200 basis points was 2.19% (0.19% + 2.00%). The line of credit has certain financial covenants. The Company is in compliance with these covenants.

The Company has been utilizing its cash position by repurchasing common shares under 10b5-1 plans in order to increase shareholder value. During the first nine months of fiscal 2013 ended May 31, 2013, the Company repurchased and cancelled 814 common shares at a total cost of $4,884, which represents an average price of $6.00 per share after adjusting for the 2-for-1 stock split effective May 2, 2013. Subsequent to the nine month period ended May 31, 2013, the Company commenced a new share repurchase plan to purchase for cancellation up to 400,000 common shares, which represents approximately 13% of the approximately 3.1 million common shares outstanding. The repurchase plan commenced on June 3, 2013 and will remain in place until August 16, 2013 but may be limited or terminated at any time without prior notice.

Business Risks

This quarterly report includes “forward–looking statements” as that term is defined in Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” or “hopeful,” or the negative of those terms or other comparable terminology, or by discussions of strategy, plans or intentions. For example, this section contains numerous forward-looking statements. All forward-looking statements in this report are made based on management’s current expectations and estimates, which involve risks and uncertainties, including those described in the following paragraphs.

<u>Risks Related to Our Common Stock</u>

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.

Our shareholders could experience significant dilution if we issue our authorized 10,000,000 preferred shares.

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 (“TSX”) in Canada until the Company voluntarily delisted from the TSX on October 11, 2012. The average daily trading volume of our common stock on NASDAQ was 7,126 shares (after adjusting for the 2 for 1 stock split) for the nine months ended May 31, 2013. With this limited trading volume, investors could find it difficult to purchase or sell our common stock.

<u>Risks Related to Our Business</u>

We could experience a decrease in the demand for our products resulting in lower sales volumes, which would give us less capital with which to operate.

In the past we have at times experienced decreasing products sales with certain customers. The reasons for this can be generally attributed to factors such as competition, wood products prices, and 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 and could not be replaced.

For the nine months ended May 31, 2013, our top ten customers represented 67% 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 in the U.S., Canada and Mexico and are primarily in the home improvement, marine, and agricultural 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.

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 $5,000,000 of which $5,000,000 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.

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, 2012. 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 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company does not have any derivative financial instruments as of May 31, 2013. However, the Company is exposed to interest rate risk.

The Company's interest income and expense are most sensitive to changes in the general level of U.S. interest rates. In this regard, changes in U.S. interest rates affect the interest earned on the Company's cash equivalents as well as interest paid on debt.

The Company has a line of credit whose interest rate 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 4. Controls and Procedures

Disclosure Controls and Procedures

Management of the Company, including the Chief Executive Officer and the Chief Financial Officer, have evaluated 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 our Chief 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 our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings

a) Greenwood Products

One of our subsidiaries was a plaintiff in a lawsuit filed in Portland, Oregon, entitled, Greenwood Products, Inc. et al v. Greenwood Forest Products, Inc. et al., Case No. 05-02553 (Multnomah County Circuit Court).

During fiscal 2002 the Company entered into a purchase agreement to acquire inventory over a 15 month period with an initial estimated value of $7,000,000 from Greenwood Forest Products, Inc. During the year ended August 31, 2003, the Company completed the final phase of the inventory acquisition. As partial consideration for the purchase of the inventory the Company issued two promissory notes, based on its understanding of the value of the inventory purchased. The Company believes it overpaid the obligation by approximately $820,000. The holder counterclaimed for approximately $2,400,000.

Litigation was completed on March 5, 2007 with the court's general judgment and money award. The net effect was money judgment in favor of Greenwood Forest Products, Inc. for $242,604 and an award of contested intellectual property rights to the Company. The Company accrued reserves to cover the money judgment related to this dispute. Both parties filed appeals for review of the court's opinion.

During the 1st quarter of Fiscal 2011, the Oregon Court of Appeals ruled that the judgment in favor of Jewett Cameron as plaintiffs should be reversed and the judgment in favor of defendants should stand. The judgment in favor of the Company was for $819,000 plus attorneys fees. The judgment against plaintiffs is for $1,187,137. The Company appealed the ruling to the Oregon Supreme Court. In addition to the previously accrued litigation reserve of $225,000, the Company recorded a litigation loss of $962,137 and interest of $440,778 in fiscal 2011 ended August 31, 2011 related to the judgment. In the first quarter of fiscal 2012 ended November 30, 2011, the Company recorded additional interest of $16,204.

In February 2012, the Company received the decision from the Oregon Supreme Court which reversed in part the decision of the Oregon Court of Appeals in a way favorable to the Company. The case is now returned to the Oregon Court of Appeals for further consideration. As the decision was favorable to Jewett Cameron, the Company has reversed $1,459,832 of the litigation reserve and accrued interest during the 2nd quarter of fiscal 2012 ended February 29, 2012. The reversal has been treated as a one-time gain during the quarter.

b) Oregon Department of Transportation

In January 2013, the Company's subsidiary Jewett-Cameron Lumber Corporation reached a settlement with the State of Oregon Department of Transportation in the Circuit Court of the State of Oregon for Washington County, Case No. C122901CV. Under the settlement agreement, the Company agreed to sell approximately 1.64 acres of land to the Department of Transportation for $410,000. The land had a cost basis of $56,148, and the Company recorded a gain on sale of property plant and equipment of $353,852 during the 2nd quarter of fiscal 2013 ended February 28, 2013.

The Company does not know of any other material, active or pending legal proceedings against them; nor is the Company involved as a plaintiff in any other material proceeding or pending litigation. The Company knows of no other active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

---No Disclosure Required---

Item 3. Defaults Upon Senior Securities

---No Disclosure Required---

Item 4. Mine Safety Disclosures

---No Disclosure Required---

Item 5. Other Information

---No Disclosure Required---

Item 6. Exhibits

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act, Donald M. Boone
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act, Murray G. Smith.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C., 1350 (Section 906 of the Sarbanes-Oxley Act), Donald M. Boone
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C., 1350 (Section 906 of the Sarbanes-Oxley Act), Murray G. Smith
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

SIGNATURES

Pursuant to the requirements 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)

July 11, 2013

/s/ "Donald M. Boone"
Donald M. Boone, President/CEO/Director

July 11, 2013

/s/ "Murray G. Smith"
Murray G. Smith, Chief Financial Officer

CERTIFICATIONS

I, Donald M. Boone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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. The registrant's other certifying officer and I are 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 principals;

    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. The registrant's other certifying officer and I have disclosed, based on our 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: July 11, 2013

By: */s/ "Donald M. Boone"*
Donald M. Boone,
Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Jewett-Cameron Trading Company Ltd. (the "Company") on Form 10-Q for the period ended May 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers 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: July 11, 2013

Signed: */s/ "Donald M. Boone"*

Donald M. Boone,
President and CEO

CERTIFICATIONS

I, Murray G. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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. The registrant's other certifying officer and I are 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 principals;

    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. The registrant's other certifying officer and I have disclosed, based on our 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: July 11, 2013

By: */s/ "Murray G. Smith"*
Murray G. Smith,
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Jewett-Cameron Trading Company Ltd. (the “Company”) on Form 10-Q for the period ended May 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers 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: July 11, 2013

Signed: */s/ "Murray G. Smith"*

Murray G. Smith,
Chief Financial Officer