

## **Jewett-Cameron Announces 3<sup>rd</sup> Quarter Financial Results**

North Plains, Oregon, July 17, 2017 – Jewett-Cameron Trading Company Ltd. (NASDAQ: JCTCF) today reported financial results for the third quarter and nine month periods of fiscal 2017 ended May 31, 2017.

Sales for the third quarter of fiscal 2017 totaled \$16.7 million compared to sales of \$14.5 million for the third quarter of fiscal 2016. Income from operations was \$2,023,238 compared to \$1,504,952 for the third quarter ended May 31, 2016. Net income after other items and income taxes for the current quarter was \$1,206,135, or \$0.53 per share, compared to \$908,730, or \$0.37 per share, in the year-ago quarter.

For the nine months ended May 31, 2017, Jewett-Cameron reported sales of \$36.6 million compared to sales of \$37.6 million for the nine months ended May 31, 2016. Net income was \$2,001,068, or \$0.88 per share, compared to net income of \$1,572,935, or \$0.64 per share, in the first nine months of fiscal 2016.

“Our investments in eCommerce and expanding our international sales have started to be reflected in this quarter’s revenues and margins,” said CEO Charlie Hopewell. “We are continuing our efforts to grow our business, including increased utilization of our recent warehouse expansion and adding additional personnel to support our sales initiatives.”

As of May 31, 2017, the Company’s cash position was approximately \$4.9 million, and there was no borrowing against its \$3.0 million line of credit. The Company has historically utilized its cash position by implementing share repurchase programs as an effective method of enhancing shareholder value.

On May 23, 2017, the Company announced the Board of Directors approved a share repurchase plan to purchase for cancellation up to 225,000 common shares under Rule 10b5-1 of the U.S. Securities Exchange Act of 1934. Subsequent to the end of the 3<sup>rd</sup> quarter, the Company has repurchased for cancellation 40,660 common shares at a cost of \$511,959, which is an average price of \$12.59 per share.

About Jewett-Cameron Trading Company Ltd.

Jewett-Cameron Trading Company is a holding company that, through its subsidiaries, operates out of facilities located in North Plains, Oregon. Jewett-Cameron Company’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 Products 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-PRO is an importer and distributor of pneumatic air tools, industrial clamps, and the Avenger Products line of sawblades and other products. Jewett-Cameron Seed Company is a processor and distributor of agricultural seeds. JC USA provides professional and administrative services, including accounting and credit services, to its subsidiary companies.

Forward-looking Statements

The information in this release contains certain forward-looking statements that anticipate future trends and events. These statements are based on certain assumptions that may prove to be erroneous and are subject to certain risks, including but not limited to, the uncertainties of the Company’s new product introductions, the risks of increased competition and technological change in the Company’s industry, and other factors detailed in the Company’s SEC filings. Accordingly, actual results may differ, possibly materially, from predictions contained herein.

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

	<b>May 31, 2017</b>	<b>August 31, 2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,872,068	\$ 4,519,922
Accounts receivable, net of allowance of \$Nil (August 31, 2016 - \$Nil)	5,532,541	3,342,204
Inventory, net of allowance of \$157,879 (August 31, 2016 - \$176,717)	8,053,663	8,069,017
Prepaid expenses	772,802	832,895
Prepaid income taxes	-	596
Total current assets	19,231,074	16,764,634
<b>Property, plant and equipment, net</b>	3,150,916	2,954,595
<b>Intangible assets, net</b>	96,014	150,543
<b>Total assets</b>	\$ 22,478,004	\$ 19,869,772
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 891,623	\$ 839,972
Accrued liabilities	1,710,069	1,473,792
Income taxes payable	317,074	-
Total current liabilities	2,918,766	2,313,764
<b>Deferred tax liability</b>	33,515	31,353
<b>Total liabilities</b>	2,952,281	2,345,117
<b>Contingent liabilities and commitments</b>		
<b>Stockholders' equity</b>		
Capital stock		
Authorized		
21,567,564 common shares, without par value		
10,000,000 preferred shares, without par value		
Issued		
2,286,294 common shares (August 31, 2016 – 2,286,294)	1,078,759	1,078,759
Additional paid-in capital	600,804	600,804
Retained earnings	17,846,160	15,845,092
Total stockholders' equity	19,525,723	17,524,655
<b>Total liabilities and stockholders' equity</b>	\$ 22,478,004	\$ 19,869,772

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

	<b>Three Month Period Ended May 31,</b>		<b>Nine Month Period Ended May 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>SALES</b>	\$ 16,718,234	\$ 14,458,713	\$ 36,639,323	\$ 37,588,354
<b>COST OF SALES</b>	<u>12,906,533</u>	<u>11,281,973</u>	<u>28,304,118</u>	<u>29,996,180</u>
<b>GROSS PROFIT</b>	3,811,701	3,176,740	8,335,205	7,592,174
<b>OPERATING EXPENSES</b>				
Selling, general and administrative expenses	466,014	542,581	1,470,731	1,616,796
Depreciation and amortization	84,693	82,978	222,700	226,961
Wages and employee benefits	1,237,756	1,046,229	3,277,797	3,017,643
	<u>(1,788,463)</u>	<u>(1,671,788)</u>	<u>(4,971,228)</u>	<u>(4,861,400)</u>
Income from operations	2,023,238	1,504,952	3,363,977	2,730,774
<b>OTHER ITEMS</b>				
(Loss) gain on sale of property, plant and equipment	-	-	(393)	5,600
Interest and other income	2,400	2,978	6,220	13,538
Interest expense	-	-	-	(27)
Litigation expense	-	-	-	(115,990)
	<u>2,400</u>	<u>2,978</u>	<u>5,827</u>	<u>(96,879)</u>
Income before income taxes	2,025,638	1,507,930	3,369,804	2,633,895
Income tax expense	<u>(819,503)</u>	<u>(599,200)</u>	<u>(1,368,736)</u>	<u>(1,060,960)</u>
<b>Net income</b>	<u>\$ 1,206,135</u>	<u>\$ 908,730</u>	<u>\$ 2,001,068</u>	<u>\$ 1,572,935</u>
<b>Basic earnings per common share</b>	\$ 0.53	\$ 0.37	\$ 0.88	\$ 0.64
<b>Diluted earnings per common share</b>	\$ 0.53	\$ 0.37	\$ 0.88	\$ 0.64
<b>Weighted average number of common shares outstanding:</b>				
Basic	2,286,294	2,458,170	2,286,294	2,470,566
Diluted	2,286,294	2,458,170	2,286,294	2,470,566

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

	<b>Three Month Period Ended May 31,</b>		<b>Nine Month Period Ended May 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 1,206,135	\$ 908,730	\$ 2,001,068	\$ 1,572,935
Items not involving an outlay of cash:				
Depreciation and amortization	84,693	82,978	222,700	226,961
Loss (gain) on sale of property, plant and equipment	-	-	393	(5,600)
Deferred income tax expense (recovery)	(2,378)	(33,601)	2,162	(30,097)
Interest income on litigation	-	-	-	(6,661)
Decrease in litigation reserve	-	-	-	(84,010)
Changes in non-cash working capital items:				
(Increase) in accounts receivable	(984,800)	(597,843)	(2,190,337)	(694,191)
Decrease in inventory	832,580	213,122	15,354	1,053,681
Decrease in note receivable	-	-	-	1,310
Decrease (increase) in prepaid expenses	34,891	(271,860)	60,093	(61,249)
Decrease in prepaid income taxes	149,487	159,031	596	26,570
Increase in accounts payable and accrued liabilities	1,249,205	974,527	287,928	689,427
Increase in income taxes payable	317,074	-	317,074	-
Net cash provided by operating activities	2,886,887	1,435,084	717,031	2,689,076
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(33,351)	(31,618)	(368,365)	(79,520)
Proceeds from sale of property, plant and equipment	-	-	3,480	5,600
Net cash used in investing activities	(33,351)	(31,618)	(364,885)	(73,920)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Redemption of common stock	-	(745,878)	-	(745,878)
Net cash used in financing activities	-	(745,878)	-	(745,878)
<b>Net increase in cash</b>	<b>2,853,536</b>	<b>657,588</b>	<b>352,146</b>	<b>1,869,278</b>
<b>Cash, beginning of period</b>	<b>2,018,532</b>	<b>5,627,987</b>	<b>4,519,922</b>	<b>4,416,297</b>
<b>Cash, end of period</b>	<b>\$ 4,872,068</b>	<b>\$ 6,285,575</b>	<b>\$ 4,872,068</b>	<b>\$ 6,285,575</b>

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Source: Jewett-Cameron Trading Company Ltd.