

**HODGINS AUCTIONEERS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**

DISCUSSION OF OPERATIONS AND FINANCIAL POSITION AS OF NOVEMBER 14, 2007

This discussion and analysis of financial position and results of Hodgins Auctioneers Inc. (“Auctioneers”) is current as of November 14, 2007 and should be read in conjunction with Auctioneers’ unaudited financial statements for the nine month fiscal period ended September 30, 2007 and the audited financial statements for the years ended December 31, 2006 and 2005 and the notes thereto. The financial statements and other information relevant to Auctioneers’ activities can be found on SEDAR at www.sedar.com. Those financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Policies. All dollar figures included therein and in the following discussion and analysis is quoted in Canadian dollars unless otherwise noted. The reader should be aware that historical results are not necessarily indicative of future performance.

1.1 Overall Performance

Nine Months ended September 30, 2007, compared to Nine Months ended September 30, 2006.

Gross sales were \$48,239,295 for the first nine months of 2007 compared to \$39,294,960 for the first nine months of 2006. The auction revenue for the first nine months of 2007 was \$3,595,126 compared to \$2,778,633 for the first nine months of 2006. Income before income taxes was \$813,388 for the first nine months of 2007 compared to \$1,263 for the first nine months of 2006.

1.2 Selected Financial Information - Hodgins Auctioneers Inc.

The following table sets out certain annual financial information regarding Auctioneers for the three financial periods ending December 31.

Years Ended	Dec. 31, 2006 Audited	Dec. 31, 2005 Audited	Dec. 31, 2004 Audited
Income Statement			
Gross Revenue	3,343,028	3,611,210	3,531,213
Expenses other than Interest Expense and Amortization	3,366,936	3,442,076	3,169,894
Amortization	71,246	72,555	48,481
Interest Expense	90,637	30,768	60,396
Earnings (Loss) before Income Taxes	(185,791)	65,811	252,442
Income Taxes	-	26,000	54,400
Retained Earnings (Deficit), Beginning of Year	<u>22,734</u>	<u>(17,077)</u>	<u>(215,119)</u>
Retained Earnings (Deficit), End of Year	<u>(163,057)</u>	<u>22,734</u>	<u>(17,077)</u>
Earnings per Share – Basic and Diluted	(0.02)	0.0048	0.055
Balance Sheet			
Current Assets	316,325	760,560	453,903
Property Plant and Equipment	<u>645,981</u>	<u>655,642</u>	<u>627,656</u>
Total Assets	<u>962,306</u>	<u>1,416,202</u>	<u>1,081,559</u>
Bank Indebtedness	105,729	-	-
Accounts Payable and Accruals	159,496	524,388	290,464
Income Tax Payable	114,349	80,400	54,400
Current Portion of Term Loans	80,091	112,224	75,271
Due to Shareholder	41,653	41,653	41,653
Term Loan	<u>320,738</u>	<u>326,584</u>	<u>340,544</u>
Total Liabilities	<u>822,056</u>	<u>1,085,249</u>	<u>802,332</u>
Share Capital	233,566	234,278	215,304
Contributed Surplus	69,741	73,941	81,000
Retained Earnings (Deficit)	<u>(163,057)</u>	<u>22,734</u>	<u>(17,077)</u>
Total Liabilities and Retained Earnings (Deficit)	<u>962,306</u>	<u>1,416,202</u>	<u>1,081,559</u>

1.3 Results of Operations

A) Auction Revenues

Nine Months Ended September 30	2007	2006	% Change
Gross Auction Sales	48,239,295	39,294,960	+ 22.7
Auction revenues	3,595,126	2,778,633	+ 29.4
Auction revenue rate (Auction revenues as a percentage of gross auction sales)	7.5	7.1	+ 0.4

Gross auction sales were \$48,239,295 for the nine month period ended September 30, 2007, compared to \$39,294,960 for the nine month period ended September 30, 2006. Auction revenues were \$3,595,126 for the nine month period ended September 30, 2007, compared to \$2,778,633 for the nine month period ended September 30, 2006.

(B) Direct Expenses

Nine Months Ended September 30	2007	2006	% Change
Direct expenses	1,703,815	1,610,345	+ 5.8
Direct expenses as a percentage of gross auction sales	3.5	4.1	- 0.6

Direct expenses consist of costs incurred as a direct result of an auction sale being held. In addition, direct expenses include the costs of hiring personnel to assist in conducting the auction, advertising specifically related to the auction, auction commissions, travel costs and meals for full time employees to attend and work the auction, equipment and automotive fuel, auto lease costs, equipment repairs and maintenance, travel meals, and security hired to safeguard equipment at auction sites and rental expenses for temporary sites.

Direct expenses were \$1,703,815 for the nine month period ended September 30, 2007, compared to \$1,610,345 for the nine month period ended September 30, 2006.

(C) General and Administration Expense

Nine Months Ended September 30	2007	2006	% Change
General and administrative expenses	1,201,730	1,183,752	+ 1.5

General and administration expense includes cash items such as employee expenses (salaries, wages, performance bonuses and benefits), insurance, general office costs, office supplies, insurance, legal and accounting, telephone, utilities, yard maintenance, rent, license fees and memberships but does not include stock based compensation, interest and bank charges, amortization or directors fees.

General and administrative expenses were \$1,201,730 for the nine month period ended September 30, 2007, compared to \$1,183,752 for the nine month period ended September 30, 2006.

(D) Amortization Expense

Nine Months Ended September 30	2007	2006	% Change
Amortization expense	46,338	51,475	- 9.9

Amortization is calculated either on straight line or a declining balance basis on capital assets employed in Auctioneers' business, including building and site improvements, automobiles, yard equipment and computer hardware and software.

Amortization expense for the nine month period ended September 30, 2007 was \$46,338 compared with \$51,475 for the nine month period ended September 30, 2006. Auctioneers have maintained a consistent accounting practice for the treatment of amortization during these periods.

(E) Interest Expense

Nine Months Ended September 30	2007	2006	% Change
Interest expense	34,821	30,975	+ 12.4

Interest expense included mainly interest and bank charges paid on long term debt and operating lines of credit. Interest expense was \$34,821 for the nine month period ended September 30, 2007, compared to \$30,975 for the nine month period ended September 30, 2006.

(F) Earnings From Operations

Nine Months Ended September 30	2007	2006	% Change
Net income	813,388	1,263	+ 64,301
Net earnings per share-basic and diluted	0.08	0.00	+ 800

Auctioneers had an income of \$813,388 for the nine month period ended September 30, 2007, compared with an income of \$1,263 for the nine month period ended September 30, 2006.

(G) Income Taxes

Nine Months Ended September 30	2006	2005	% Change
Income taxes	91,086	nil	+ 910.86
Effective income tax rate	38%	38%	

As at December 31, 2006, the Company has accumulated non-capital losses of approximately \$414,200 which have been applied against net income for the nine months ended September 30, 2007 for Canadian income tax purposes.

QUARTER ENDED SEPTEMBER 30, 2007 COMPARED TO QUARTER ENDED SEPTEMBER 30, 2006

(A) Auction Revenues

Three Months Ended September 30	2007	2006	% Change
Gross Auction Sales	11,851,340	9,635,078	+ 23.0
Auction revenues	912,272	600,833	+ 51.8
Auction revenue rate (Auction revenues as a percentage of gross auction sales)	7.7	6.2	- 0.3

Gross auction sales were \$11,851,340 for the three month period ended September 30, 2007, compared to \$9,635,078 for the three month period ended September 30, 2006. Auction revenues were \$912,272 for the three month period ended September 30, 2007, compared to \$600,833 for the three month period ended September 30, 2006.

(B) Direct Expenses

Three Months Ended September 30	2007	2006	% Change
Direct expenses	513,815	520,153	- 1.2
Direct expenses as a percentage of gross auction sales	4.3	5.4	- 1.1

Direct expenses consist of costs incurred as a direct result of an auction sale being held. In addition, direct expenses include the costs of hiring personnel to assist in conducting the auction, advertising specifically related to the auction, auction commissions, travel costs and meals for full time employees to attend and work the auction, equipment and automotive fuel, auto lease costs, equipment repairs and maintenance, travel meals, and security hired to safeguard equipment at auction sites and rental expenses for temporary sites.

Direct expenses were \$513,815 for the three month period ended September 30, 2007, compared to \$520,153 for the three month period ended September 30, 2006.

(C) General and Administration Expense

Three Months Ended September 30	2007	2006	% Change
General and administrative expenses	385,009	323,104	+19.2

General and administration expense includes cash items such as employee expenses (salaries, wages, performance bonuses and benefits), insurance, general office costs, office supplies, insurance, legal and accounting, telephone, utilities, yard maintenance, rent, license fees and memberships but does not include stock based compensation, interest and bank charges, amortization or directors fees.

General and administrative expenses were \$385,009 for the three month period ended September 30, 2007, compared to \$323,104 for the three month period ended September 30, 2006.

(D) Amortization Expense

Three Months Ended September 30	2007	2006	% Change
Amortization expense	15,446	11,367	+ 35.9

Amortization is calculated either on straight line or a declining balance basis on capital assets employed in Auctioneers' business, including building and site improvements, automobiles, yard equipment and computer hardware and software.

Amortization expense for the three month period ended September 30, 2007 was \$15,446 compared with \$11,367 for the three month period ended September 30, 2006. Auctioneers have maintained a consistent accounting practice for the treatment of amortization during these periods.

(E) Interest Expense

Three Months Ended September 30	2007	2006	% Change
Interest expense	14,644	15,072	- 2.8

Interest expense included mainly interest and bank charges paid on long term debt and operating lines of credit. Interest expense was \$14,644 for the three month period ended September 30, 2007, compared to \$15,072 for the three month period ended September 30, 2006

(F) Earnings From Operations

Three Months Ended September 30	2007	2006	% Change
Net income	98,063	(203,450)	+ 148.2
Net earnings per share-basic and diluted	0.01	(0.02)	0.03

Auctioneers had an income of \$98,063 for the three month period ended September 30, 2007, compared with a loss of \$203,450 for the three month period ended September 30, 2006.

(G) Income Taxes

Three Months Ended September 30	2007	2006	% Change
Income taxes	(23,342)	(4,527)	+ 415.6
Effective income tax rate	38%	38%	

As at December 31, 2006, the Company has accumulated non-capital losses of approximately \$414,200 which have been applied against net income for the nine months ended September 30, 2007 for Canadian income tax purposes.

1.4 Summary of Quarterly Results - Hodgins Auctioneers Inc.

Hodgins Auctioneers Inc. (an Alberta public company) has prepared three month comparative statements for the periods beginning December 31, 2005.

Cdn \$	Sep 30, 2007	June 30, 2007	Mar 31, 2007	Dec 31, 2006	Sep 30, 2006	June 30, 2006	Mar 31, 2006	Dec 31, 2005
Revenues	1,029,677	2,069,223	709,292	453,068	670,296	2,104,603	115,061	493,949
Expenses	<u>931,614</u>	<u>1,305,988</u>	<u>757,201</u>	<u>640,122</u>	<u>873,746</u>	<u>1,465,968</u>	<u>548,983</u>	<u>802,690</u>
Earnings (Loss) before Income Taxes	98,063	763,235	(47,909)	(187,054)	(203,450)	638,635	(433,922)	(308,741)
Income Taxes	<u>(23,342)</u>	<u>114,428</u>	<u>nil</u>	<u>nil</u>	<u>(4,527)</u>	<u>4,527</u>	<u>nil</u>	<u>(87,936)</u>
Net Earnings	<u>121,405</u>	<u>648,807</u>	<u>(47,909)</u>	<u>(187,054)</u>	<u>(198,923)</u>	<u>634,108</u>	<u>(433,922)</u>	<u>(220,805)</u>
Earnings per share - Basic and Diluted	0.01	0.08	(0.00)	(0.03)	(0.02)	0.08	(0.05)	(0.02)

1.5 Liquidity

Auctioneers cash position can fluctuate significantly from period to period, largely as a result of differences between the timing of the receipt of auction sale proceeds from buyers and payment of the net amounts due to consignors. Working capital is generally defined as current assets less current liabilities (without consideration of long term debt).

Working capital was positive \$490,318 as of September 30, 2007, as compared to negative \$12,556 as of September 30, 2006. Cash increased by \$555,826 for the nine month period ended September 30, 2007. Capital assets expenditures were \$89,210 for the nine month period ended September 30, 2007, compared with expenditures of \$58,543 for the nine month period ended September 30, 2006.

1.6 Capital Resources

Auctioneers have no commitments for capital expenditures or operating expenditures.

1.7 Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

1.8 Transactions with Related Parties

There are no transactions with related parties.

1.9 Proposed Transactions

Auctioneers have signed a letter of intent to purchase the shares of Champion Auctions Ltd. for consideration of \$30,000 cash plus 400,000 shares of the Company with a deemed value of \$0.40 per share. The agreement was to be effective in 2007 and is contingent upon both parties meeting the financial conditions set out in the letter of intent

On May 1, 2007, the shareholders approved a change in the name of the Corporation to “Hodgins Growth Corp.” The change will likely take place within 30 days. The Corporation will incorporate a wholly-owned subsidiary “Hodgins Auctioneers (2007) Inc.”. Hodgins Growth Corp. will transfer the operating assets to Hodgins Auctioneers (2007) Inc. This will permit the parent public company to acquire other businesses and to maintain the existing legal and accounting integrity of the auction business.

1.10 Critical Accounting Estimates

There are no critical accounting estimates.

1.11 Changes in Accounting Policies including Initial Adoption

In 2007 we adopted the Canadian Institute of Chartered Accountants Handbook Section 1530, “Comprehensive Income”, Section 3251, “Equity”, Section 3855, “Financial Instruments – Recognition and Measurement”, Section 3861, “Financial Instruments – Disclosure and Presentation” and Section 3865 “Hedges”.

Section 1530 establishes standards for disclosure and presentation of comprehensive income, which represents the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net earnings calculated in accordance with Canadian GAAP. Other comprehensive income has been excluded from our statements as we do not currently have any transactions affecting these accounts.

Section 3861 establishes standards for disclosure and presentation of financial instruments and non-financial derivatives. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, comparative figures are not restated.

Section 3865 describes when and how hedge accounting can be applied as well as disclosure requirements. Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet, and the amount at which these items should be recorded. Under the new standard, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity; loans and receivables; other financial liabilities or available-for-sale.

All financial instruments, including derivatives, are measured in the balance sheet at fair value, except loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized costs. The subsequent measurement and accounting for changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value with changes in fair value recognized in net earnings; and available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired, at which time the amounts are recognized in net earnings.

Upon the adoption of these standards, we designated our cash and cash equivalents as held-for-trading, which are measured at fair value and changes in fair value are recognized in net earnings. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and term loans are classified as other financial liabilities, which are measured at amortized cost. These changes had no impact on our financial statements.

All derivative instruments, including embedded derivatives, are now recorded in the financial statements at fair value. All changes in their fair value are recorded in income unless cash flow hedge accounting is applied, in which case changes in fair value are recorded in other comprehensive income. At this time we do not have any derivative instruments.

Other than our adoption of the new standards described above; there have been no significant changes in our critical accounting policies and estimates.

1.12 Financial Instruments and Other Instruments

There are no financial instruments or other instruments.

1.13 Other Management and Discussion Analysis Requirements

Disclosure of Outstanding Share Data

The authorized capital of Auctioneers consists of an unlimited number of common shares and an unlimited number of preferred shares, which may be issued, in Series. There are 8,198,500 common shares issued and outstanding. There are existing option agreements, which entitle holders to acquire 300,000 shares at an exercise price of \$0.40 per share (expiring July 31, 2009) and 100,000 shares at an exercise price of \$0.50 per share (expiring February 2008). There are no warrants to acquire shares.

Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations and estimates about Auctioneers business, and include, among others, statements relating to future performance, growth, the ability to attract and retain quality people, the ability to manage guarantee contracts, the dollar amount of Auctioneers exposure to guarantee contracts; and the ability to raise capital and diversify the business.

In some cases, the reader may identify forward-looking statements by terms such as "anticipate", "believe", "could", "continue", "estimate", "expect", "intend", "may", "might", "ongoing", "plan", "potential", "predict", "project", "should", "will", "would", or the negative of these terms, and similar expressions intended to identify forward-looking statements. Auctioneers forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. While Auctioneers has not described all potential risks related to Auctioneers business, the important factors listed under "Risk Factors" are among those that may affect Auctioneers performance and could cause Auctioneers actual financial and operational results to differ significantly. Auctioneers does not intend to update publicly any forward-looking statements, even the predictions have been affected by new information, future events or other developments.

Risk Factors

The business of Auctioneers is subject to a number of risks and uncertainties. Past performance is no guarantee of future performance. Some of the more important risks that Auctioneers will face are outlined below and holders of Auctioneers common shares should consider these risks. The risks and uncertainties described below are not the only risks and uncertainties. If any of the following risks actually occur, the business of Auctioneers, results of operation and financial condition would suffer.

Revenues and profitability could be reduced as a result of competition

The sale of farmland and used agricultural equipment sectors of the Western Canadian market, and in particular, the auction segment of those markets, is becoming more concentrated. Auctioneers compete directly for potential purchasers of farmland, farmland equipment and industrial equipment with other auction companies. Auctioneers indirect competitors include equipment manufacturers, distributors and dealers that sell new or used equipment. When sourcing equipment to sell at auctions, Auctioneers competes with other auction companies, equipment dealers and brokers, and equipment owners that have traditionally disposed of equipment in private sales.

Historically, Auctioneers direct competitors were primarily regional auction companies. In 2007, Ritchie Bros. is becoming the dominant player in the auction segment in which Auctioneers competes. Ritchie Bros. is the world largest auctioneer. Ritchie Bros entered the farmland and farm equipment segment in Western Canada with the acquisition of All Peace Auctions (2001) Ltd. and All Peace Auctions Ltd, Grande Prairie, Alberta, Canada in 2002. In 2004, Ritchie Bros. acquired LeBlanc Auction Service Ltd, Estevan, Saskatchewan, Canada. In 2006, Ritchie Bros acquired Clarke Auctioneers Ltd., Rouleau, Saskatchewan. In 2006, Ritchie Bros opened a permanent auction facility in Saskatoon. In 2006, Ritchie Bros aggressively marketed their services and have aggressively competed against Auctioneers in situations where the consignor requires a guarantee by the auction company of minimum sales proceeds. It is likely the Ritchie Bros. has become the largest farmland and farm equipment auctioneer in Western Canada. The ability of Auctioneers to compete against Ritchie Bros. will likely be a significant factor in the continued success of the Corporation.

Ritchie Bros. has significantly greater financial and marketing resources than Auctioneers. It is unlikely new competitors will enter the farmland and farmland equipment auction market in the future. If Ritchie Bros. seek to gain market share by reducing commission rates, Auctioneers may also be required to reduce commission rates. In addition, if Ritchie Bros. aggressively prices its minimum guarantee in situations where the consignor requires a guarantee by the auction company of minimum sales proceeds, these activities could harm our business, operating results and financial condition.

Guarantee and contracts to consignors may result in us incurring losses.

Approximately 75% of Auctioneers business is conducted on a straight commission basis. In certain situations Auctioneers will offer guarantee a minimum level of sale proceeds to the consignor, regardless of the ultimate selling price of the consignment at the auction or purchase the equipment outright from the consignor for sale in a particular auction.

If auction proceeds are less than the guaranteed amount, Auctioneers commission will be reduced or, if sufficiently lower, Auctioneers will incur a loss. Losses occurred in 2006 as a result of guaranteed sales. If auction proceeds are less than the purchase price Auctioneers paid for equipment Auctioneers will incur a loss. No such losses have occurred in 2007.

Auctioneers may have difficulties sustaining its revenue and growing its business

In order to sustain its revenues and grow its business, Auctioneers must be able to offer the same services as its competitors differentiate its services from its competitors, expand into new geographic markets and into market segments in which Auctioneers have not had a significant presence in the past. As part of this strategy, Auctioneers may from time to time acquire additional assets or businesses from third parties. For Auctioneers to be successful Auctioneers need to accomplish a number of objectives, including: obtaining necessary financing; establish and maintain favorable relationships with consignors and buyers in new markets and market segments, and maintaining these relationships in its existing markets; and capitalize on changes in the supply of and demand for assets, in existing and in new markets.

Dependence on Grant Hodgins and Barry Jung.

The growth and performance of Auctioneers business in the future will depend to a significant extent on the efforts and abilities of Grant Hodgins and Barry Jung. Auctioneers business could be harmed if the services of one or more of these individuals were lost. In addition, the future success of Auctioneers largely depends on Auctioneers ability to attract, develop and retain skilled employees.