Leadership in Alternative Asset Management

FIRST QUARTER REPORT, DECEMBER 31, 2006

Integrated Asset Management Corp.

REPORT TO SHAREHOLDERS

Integrated Asset Management Corp. (“IAM” or the “Corporation”) is pleased to present to shareholders the financial results of the Corporation for the first quarter of fiscal 2007.

Assets and committed capital under management ("AUM") increased as at December 31, 2006 from year end (September 30, 2006) by $0.1 billion from $2.9 billion to $3.0 billion. There were approximately $0.1 billion of new commitments raised during the quarter in the Asset Management operations.

Net income for the quarter ended December 31, 2006 was $1.0 million or $0.04 per share compared with $0.6 million or $0.03 per share in the comparable quarter of the prior year. The Corporation's financial position at December 31, 2006 remained strong with $10.3 million in cash and $1.3 million in debt.

Revenues for the three months ended December 31, 2006 were $10.3 million compared with $11.7 million in the same period of fiscal 2006 due to lower performance fees. Core management fees increased from $4.8 million in the first quarter of fiscal 2006 to $5.4 million in the current quarter as more capital commitments were deployed in the Asset Management operations.

Performance fees realized were down to $3.9 million in the latest quarter from $6.7 million in the first quarter of fiscal 2006. All the performance fees were in the Hedge Funds operations.

The Asset Management operations reported higher revenues and an increase in EBITDA from $0.4 million to $0.5 million in the latest quarter as core management fees increased.

Both the real estate and private debt divisions were successful in deploying committed capital over the last twelve months into quality assets. The real estate division also raised a further $0.1 billion in new commitments during the quarter. The private equity division continued to work on the development of a mining fund which is global in scope. The closing of the second private equity fund is behind schedule as the division has not yet secured the final order needed for a first closing.

Market conditions in the quarter for new products in the Hedge Funds operations were very difficult and BluMont's team encountered difficulties in launching new products. However, a BluMont Man note was closed in November raising $41 million.

By mid 2007, the hedge fund, real estate, private equity and private debt teams will have moved to a new common location at 70 University Avenue in Toronto. In December, BluMont was the first to move to the new headquarters.

During the quarter, the Corporation acquired shares of BluMont to take its ownership from 46.2% to 60.4% as at February 15, 2007. An annual and special meeting of BluMont shareholders is scheduled on February 28, 2007 for BluMont shareholders to consider IAM's offer to acquire, through an amalgamation, the remaining BluMont common shares on the basis of one IAM common share for every 2.8 BluMont common shares held. For all the BluMont shareholders who exchanged their BluMont shares for IAM shares in the quarter under the previous offer, IAM will "top up" those shareholders with the cash equivalent if the proposed amalgamation takes place.

A semi-annual cash dividend of $0.035 per common share was approved in the quarter and was paid to shareholders of record on January 10, 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of Integrated Asset Management Corp. ("IAM" or the "Corporation") dated February 15, 2007 is based on financial information in accordance with Canadian generally accepted accounting principles ("GAAP"). This MD&A also shows certain earnings measures which do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

This MD&A presents an analysis of the Corporation as at December 31, 2006 compared with September 30, 2006, and the results of operations of IAM for the three months ended December 31, 2006 compared with the three months ended December 31, 2005. This analysis is supplemental to, and should be read in conjunction with, the unaudited consolidated financial statements of the Corporation and its accompanying notes for the quarter ended December 31, 2006 and the audited financial statements for the year ended September 30, 2006. It is intended to provide additional information on the Corporation's recent performance, its current financial situation and its future prospects. It does not form part of the unaudited consolidated financial statements of the Corporation.

IAM reports on two business segments: Asset Management and Hedge Funds. Hedge Funds comprise the operations of BluMont Capital Inc. ("BluMont") in which IAM has a 60.4% ownership as at February 15, 2007. BluMont is a TSX Venture Exchange listed company and information on BluMont, additional to that shown herein, can be accessed on SEDAR.

This MD&A may contain forward-looking statements on the Corporation's business, strategies, opportunities and future financial results. These statements are not promises or guarantees and are based on assumptions and estimates which are subject to many different risks and uncertainties, any of which could cause actual results to be significantly different from those derived from the forward-looking statements. The reader should not place undue reliance on any such forward-looking statements, which are presented as of February 15, 2007.

This MD&A and additional information relating to IAM are on SEDAR at www.sedar.com.

BUSINESS REVIEW

IAM is an alternative asset investment management company offering high quality alternative asset class management to institutional, pension and private clients. The Corporation provides investors with private equity, private corporate debt, managed futures, real estate investment management, property management and leasing and hedge funds.

The Corporation had assets and committed capital under management ("AUM") of approximately $3.0 billion at December 31, 2006 which are represented by two business segments, Asset Management which had AUM of approximately $2.2 billion and Hedge Funds with approximately $0.8 billion in AUM.

Asset Management

Asset Management comprises real estate management, private corporate debt, managed futures and private equity operations with mostly an institutional but also a high net worth client base.

The Corporation's products are mostly pools of assets managed by the Corporation for investors and the life of each pool of assets can be up to ten years. Typically, the Corporation develops and structures each investment product and then markets for commitments from interested investors. The pool is then closed and the pool makes acquisitions of assets to deploy the commitments over a number of years. For some types of pools, the Corporation receives fees only when the commitments are deployed and assets are being managed whereas on some pools the Corporation receives fees on the commitments. Generally, there is little or no liquidity for the investors during the term of a pool and the pool can be liquidated earlier than scheduled only in exceptional circumstances.

Included in the real estate management are property management operations comprising AUM of approximately $0.7 billion as at December 31, 2006. The property management operations are different from the other operations in Asset Management in that the contracts with the property owners can be terminated on short notice and, in general, property management is a lower margin activity.

Hedge Funds

Hedge Funds comprise the retail hedge fund activities under BluMont in which IAM had a 46.2% ownership as at September 30, 2006. BluMont is a TSX Venture Exchange listed company. As at December 31, 2006, IAM had increased its ownership during the quarter to 61.2% through an exchange offer for shares of BluMont which expired in November. As a result of several employees in January exercising options to purchase BluMont shares, IAM's percentage ownership in BluMont as at February 15, 2007 was 60.4%.

BluMont provides hedge fund products to Canadian retail investors. BluMont's sales force throughout Canada has an extensive financial advisor distribution network through which virtually all sales of BluMont's investment products are made.

Beginning in fiscal 2007, BluMont is implementing a new business strategy to place more emphasis on manufacturing its own products for distribution through BluMont’s sales force. In addition, as a result of the increased ownership (more fully described below) by IAM, it is expected that BluMont will work closely with IAM to manufacture alternative asset class products, currently only available to institutional investors through IAM, for distribution to the retail investor. As at January 31, 2007, BluMont had not made substantive progress in executing this business strategy.

AUM at BluMont at December 31, 2006 were $793.8 million, a significant portion of which is BluMont's products co branded with Man Investments Inc. ("Man Investments") which BluMont distributed from fiscal 2003 until the last product which closed in November 2006.

On September 21, 2006, IAM announced the launch of an exchange offer to shareholders of BluMont for any and all of the common shares of BluMont that IAM did not already own (the "Offer"). The Offer expired November 10, 2006 and IAM acquired approximately 15.1% of the outstanding common shares such that as at February 15, 2007, IAM owned approximately 60.4% of the outstanding common shares of BluMont.

At the annual and special meeting of shareholders of BluMont to be held on February 28, 2007, shareholders will be asked to consider a special resolution on an amalgamation proposal by IAM (the "Amalgamation Resolution"). If the amalgamation is implemented, it would result in IAM owning 100% of the outstanding shares of BluMont and shareholders of BluMont (except those who exercise the dissent rights) receiving one IAM common share for every 2.8 BluMont common shares held.

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM")

($ millions)	December 31, 2006	September 30, 2006	December 31, 2005
Asset Management	$ 2,245.2	$ 2,143.5	$ 2,095.8
Hedge Funds	793.8	738.7	768.3
Total	$ 3,039.0	$ 2,882.2	$ 2,864.1

AUM at December 31, 2006 increased by over $0.1 billion from September 30, 2006 to $3.0 billion.

IAM continues to deploy committed capital included in AUM and at December 31, 2006, there is $0.5 billion of committed capital remaining on which IAM does not earn revenue until the committed capital is deployed (September 30, 2006 $0.5 billion). This figure has remained unchanged since September 30, 2006 because approximately $0.1 billion of committed capital was deployed and a similar amount of new committed capital was raised during the quarter.

RESULTS OF OPERATIONS

EBITDA declined from $3.5 million in the quarter ended December 31, 2005 to $2.6 million for the three-month period ended December 31, 2006 primarily due to lower net performance fees in the Hedge Funds operations which declined from $3.1 million to $1.6 million.

EBITDA in the Asset Management operations increased from $0.4 million to $0.6 million in the latest quarter due to higher management fees as committed capital was deployed. There were no performance fees in either quarter.

There was a one time accounting gain of $0.6 million included in EBITDA of the Hedge Funds operations in the first quarter of fiscal 2007 reflecting the gain on the sale of the management contract of the BluMont Man Multi Strategy Fund to Man Investments in November 2006.

Income before income taxes and minority interest for the quarter ended December 31, 2006 of $2.1 million remained unchanged from that of the prior year's first quarter of $2.1 million. The results of the Hedge Funds operations for the comparable quarter includes the amortization of management contract establishment expenses of approximately $1.1 million, described more fully under "Expenses".

Selected financial information (in $000s, except per share amounts)	Three-Month Period Ended December 31, 2006	2005
Revenues	$ 10,269	$ 11,746
Performance fees, included in revenues above	$ 3,885	$ 6,698
Net performance fees [1]	$ 1,612	$ 3,145
Reconciliation to Net Income		
Earnings before interest, taxes, depreciation and amortization ("EBITDA")		
Asset Management	$ 563	$ 379
Hedge Funds	2,076	3,084
	2,639	3,463
Depreciation and amortization	(447)	(1,293)
Interest expense	(52)	(59)
Stock-based compensation	(49)	(46)
Income before income taxes and minority interest	$ 2,091	$ 2,065
Income before income taxes and minority interest		
Asset Management	$ 511	$ 314
Hedge Funds	1,580	1,751
	2,091	2,065
Income taxes	(650)	(779)
Minority interest	(488)	(647)
Net income	$ 953	$ 639
Basic and diluted earnings per share	$ 0.04	$ 0.03

[1] Net performance fees is a non-GAAP financial measure used by the Corporation. This measure is calculated as performance fees revenue less investment adviser, service fees and expenses paid relating to performance fees revenue earned.

REVENUES

Revenues declined 13% from the previous fiscal year's quarter with the Corporation recognizing revenues of $10.3 million compared with $11.7 million in the first quarter of fiscal 2006. The decline is because of the reduction in performance fees in the Hedge Funds operations in the quarter ended December 31, 2006 when compared to the prior fiscal year's quarter.

The Corporation's management fees, administration and redemption fees increased in the quarter from $4.8 million in three months ended December 31, 2005 to $5.4 million in the three months ended December 31, 2006. Most of the increase is due to the real estate and private debt operations.

Included in "Interest and Other Income" of $0.9 million is a gain of $0.6 million in respect of the sale of the management contract of a fund to Man Investments in November 2006.

Typically, performance fees of the Hedge Funds operations are realized on June 30 and December 31 each year and BluMont earns performance fees on all products other than the BluMont Man products. Performance fees of the Asset Management operations are realized sporadically and the Asset Management operations segment of the Corporation realized no performance fees in either quarter ended December 31 under review in the MD&A. For the three months ended December 31, 2006, performance fees of $3.9 million were realized compared to $6.7 million in the quarter ended December 31, 2005. The decrease is a reflection of a combination of lower levels of AUM of funds on which BluMont can earn performance fees and lower performance of BluMont's funds.

The impact of performance fees on the Corporation's profitability depends on the associated expenses, namely sub advisor fees and dealer service fees. These expenses vary depending on which funds generate the performance fees. Internally managed funds generate higher margins to the Corporation than those funds managed by external sub advisors. Net performance fees to the Corporation will therefore be determined by both the level of performance fees and the composition of those performance fees between internally managed funds and funds managed by sub advisors. Of the $3.9 million of performance fees realized in the quarter, $2.3 million of performance fee related expenses were paid out and $1.6 million (representing 41% of performance fee revenue realized) was retained by the Corporation. This compares to $6.7 million of performance fees realized in the quarter ended December 31, 2005, of which $3.6 million of performance fee related expenses were paid out and $3.1 million (representing 46% of performance fee revenue realized) was retained by the Corporation.

EXPENSES

The Corporation reported consolidated expenses of $8.2 million for the quarter ended December 31, 2006 (quarter ended December 31, 2005: $9.7 million).

Important components of expenses are selling, general and administration (“SG&A”) of $5.0 million (quarter ended December 31, 2005: $4.1 million). Salaries and related costs are a substantial portion of SG&A and have increased by approximately $0.7 million from the comparable quarter of the prior year. The increases in salaries and related costs were almost entirely attributable to bonuses accrued by the Corporation. Also included in SG&A are legal and other third party costs of approximately $0.4 million attributable to developing a product in the Hedge Funds operations which was expensed in the current quarter.

Investment adviser fees are lower in the current quarter compared to the prior year's comparable quarter. The decline in fees paid to third party investment advisers was due primarily to the reduction in AUM of the BluMont Strategic Partners Hedge Fund in January 2006 as a result of the annual redemption provision of that fund.

The decline in service fees paid to dealers from the first quarter of fiscal 2006 to the current quarter is due primarily to a reclassification of approximately $0.1 million of these expenses that are now netted against revenues as a result of the amended agreement between BluMont and Man Investments in January 2006.

Amortization of management contract establishment expenses was $0.1 million in the first quarter of fiscal 2007 compared to $1.1 million in the first quarter of fiscal 2006. In the first quarter of fiscal 2006, for financial statement presentation under Canadian generally accepted accounting principles, the amortization of the management contract establishment expenses asset was accelerated such that the asset of $1.1 million reported on the Consolidated Balance Sheet at September 30, 2005 was fully amortized as at December 31, 2005.

SEGMENTED INFORMATION

Revenues

(in $000s)	Three-Month Period Ended December 31, 2006	2005
Asset Management	$ 3,480	$ 2,902
Hedge Funds	6,870	9,016
Eliminations	(81)	(172)
	$ 10,269	$ 11,746

Asset Management revenues increased as more capital commitments in AUM at the real estate and private debt operations were deployed, thereby earning revenues.

The Hedge Funds operations experienced a decline in revenue due to lower performance fees of $3.9 million in the latest quarter compared with $6.7 million in the prior year's first quarter. There was a one-time gain of $0.6 million in the current quarter as the result of a sale of the management contract of a fund.

EBITDA and Income Before Income Taxes and Minority Interest

(in $000s)	Three-Month Period Ended December 31, 2006	2005
EBITDA		
Asset Management	$ 563	$ 379
Hedge Funds	2,076	3,084
	$ 2,639	$ 3,463
Income before income taxes and minority interest		
Asset Management	$ 511	$ 314
Hedge Funds	1,580	1,751
	$ 2,091	$ 2,065

Both EBITDA and income before income taxes and minority interest of the Asset Management operations increased approximately $0.2 million in the latest quarter compared with the first quarter of fiscal 2006 due to higher management fees in the real estate and private debt divisions which successfully deployed capital commitments over the last twelve months. There were no performance fees realized in the two quarters under review for the Asset Management operations.

EBITDA of the Hedge Funds operations decreased $1.0 million to $2.1 million in the latest quarter. Net performance fees were $1.5 million lower in the current quarter which were $1.6 million (2006: $3.1 million). This decline in EBITDA through lower net performance fees was partially offset by a one-time accounting gain of $0.6 million in respect of the sale of the management contract of a fund.

Income before income taxes and minority interest of the Hedge Funds operations decreased $0.2 million to $1.6 million for the current quarter under review from $1.8 million in the prior year's quarter because the first quarter of the prior year includes $1.1 million of expenses in respect of the amortization of the management contract establishment expense asset which was accelerated in that quarter to fully amortize the asset as at December 31, 2005. The corresponding expense in fiscal 2007 was small.

CONSOLIDATED FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Consolidated assets were $31.4 million at December 31, 2006 compared with $28.2 million at September 30, 2006. Shareholders' equity increased $3.0 million from $13.5 million at September 30, 2006 to $16.5 million at December 31, 2006. Of the increase in shareholders' equity of $3.0 million, $2.9 million was in respect of the issuance of IAM common shares to acquire approximately 15% of the share capital of BluMont. The remaining $0.1 million is the excess of the quarter's net income over the semi-annual dividend declared in December 2006.

At December 31, 2006, the Corporation's net liquid assets (excluding future income taxes) increased by $0.1 million to $11.9 million compared to $11.8 million at September 30, 2006 despite all of the $1.3 million convertible debenture due December 31, 2007 now being classified as a current liability. Net liquid assets were positively impacted by the net performance fees of approximately $1.6 million realized effective December 31, 2006. The performance fees were included in receivables at December 31, 2006 and were monetized in January 2007. The associated expenses relating to the performance fees realized were included in payables at December 31, 2006 and were paid in January 2007.

The Corporation had debt (excluding capital lease obligations) reported of $1.3 million down from approximately $1.8 million at September 30, 2006. In November, BluMont transferred the management contract of a fund to Man Investments by its relinquishing its rights to amounts due to it. The amount of debt relinquished totalled $0.6 million and BluMont recognized an accounting gain (pre tax) of approximately $0.6 million in respect of the sale which is included under "Interest and Other Income" on the Consolidated Statement of Operations.

The Asset Management operations have sufficient resources to maintain current operations. The Hedge Funds operations were at a loss on a day to day basis as expenses exceeded revenues from management fees, however BluMont may operate on a day to day basis at or around breakeven during the remainder of fiscal 2007. In the quarter ended December 31, 2006, BluMont earned net performance fees sufficient to produce income before income taxes and minority interest of approximately $1.6 million. While BluMont expects to realize performance fees on a semi-annual basis, the amount is not predictable with any degree of accuracy and is likely to fluctuate significantly. Accordingly, net performance fees in the future may be insufficient to cover any day to day operating losses for the Hedge Funds operations.

OUTSTANDING SHARE DATA (as at February 15, 2007)

Common shares		
Issued and outstanding	23,571,343	
Stock options	1,222,000	(1)

Notes:
(1) Stock options to acquire 1,222,000 common shares at prices of $1.00 and $2.00 per common share.

If the BluMont amalgamation for consideration by BluMont shareholders on February 28 is implemented, IAM will issue approximately 4.9 million IAM common shares and 1.0 million IAM stock options will be issued in exchange for outstanding BluMont stock options.

RISK FACTORS

Over the past quarter, the financial outlook and the risks and uncertainties faced by the Corporation are similar to those described in the 2006 Annual Report. BluMont is implementing a change to its business strategy in fiscal 2007 to place more emphasis on manufacturing its own products for distribution through BluMont's sales force. As at January 31, 2007, BluMont had not made substantive progress in successfully executing this strategy.

BluMont moved to new premises in December 2006 without any disruptions to operations and is working more closely with the other business divisions of IAM. By mid 2007, these divisions will also have moved their operations to this common location which should be beneficial to BluMont in executing its business strategy.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet financial arrangements and no material contractual obligations other than those described in the 2006 Annual Report.

RELATED PARTY TRANSACTIONS

There were no changes in the types of related party transactions entered into by the Corporation in the quarter ended December 31, 2006. The 2006 Annual Report provides further information.

CRITICAL ACCOUNTING ESTIMATES

Revenue Recognition

Management fees are calculated as a percentage of AUM and this revenue is recognized when it is earned.

Performance fees are calculated by applying an agreed upon formula as a percentage of the fund investment returns. Performance fees are recognized as revenue only when they are realized. Depending on the terms of the funds, performance fees in the Hedge Funds operations are calculated and recognized periodically, typically June 30 and December 31.

Investments in Funds Managed by the Corporation

The Corporation accounts for its investments in funds managed by the Corporation in accordance with CICA Handbook Section 3855, *Financial Instruments — Recognition and Measurement* as further explained below under "Change in Accounting Policies". Investments in funds managed by the Corporation are classified as available for sale securities that do not have a quoted market price in an active market and are measured at cost.

Management Contract Establishment Expenses

Management contract establishment expenses represent the portion of third party costs incurred in respect of the development of structured products which are not reimbursed from the proceeds of the closing of the structured product offerings.

CHANGE IN ACCOUNTING POLICIES

Effective October 1, 2006, the Corporation adopted CICA Handbook Section 1530, *Comprehensive Income*, CICA Handbook Section 3855, *Financial Instruments — Recognition and Measurement* and CICA Handbook Section 3865, *Hedges*. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Handbook Section 1530 also introduces a new component of equity referred to as comprehensive income.

Under these new standards, all financial instruments, including derivatives, are included on the consolidated balance sheet and are measured either at fair market value or, in limited circumstances, at cost or amortized cost. Derivatives that qualify as hedging instruments must be designated as either a ''cash flow hedge,'' when the hedged item is a future cash flow, or a ''fair value hedge,'' when the hedged item is a recognized asset or liability. The unrealized gains and losses related to a cash flow hedge are included in other comprehensive income. For a fair value hedge, both the derivative and the hedged item are recorded at fair value in the consolidated balance sheet and the unrealized gains and losses from both items are included in earnings. For derivatives that do not qualify as hedging instruments, unrealized gains and losses are reported in earnings.

In accordance with the provisions of these new standards, the "Investments in funds managed by the Corporation" on the Corporation's Consolidated Balance Sheet were classified on October 1, 2006 as available for sale securities that do not have a quoted market price in an active market. Under these new standards, these securities are measured at cost on the Consolidated Balance Sheet of the Corporation and there is no impact to the Consolidated Statement of Operations. There were no other adjustments required to the Corporation's consolidated financial statements as of October 1, 2006.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the disclosure controls and procedures (as defined in applicable Canadian securities laws) of the Corporation as of the end of the period covered by this management's discussion and analysis, have concluded that the Corporation's disclosure controls and procedures are effective to ensure that all information required to be disclosed by the Corporation in reports that it files or furnishes under applicable Canadian securities laws is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Canadian securities regulatory authorities and (ii) accumulated and communicated to the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Corporation's internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

SELECTED QUARTERLY INFORMATION

(in $000s, except per share amounts)	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Revenues	$ 10,269	$ 4,771	$ 6,964	$ 8,952
Performance fees, included in revenues above				
Asset Management	$ -	$ -	$ -	$ 3,167
Hedge Funds	3,885	-	1,313	383
	$ 3,885	$ -	$ 1,313	$ 3,550
EBITDA				
Asset Management	$ 563	$ 848	$ 456	$ 638
Hedge Funds	2,076	110	648	60
	$ 2,639	$ 958	$ 1,104	$ 698
Income (loss) before income taxes and minority interest				
Asset Management	$ 511	$ 216	$ 402	$ 570
Hedge Funds	1,580	(413)	317	(207)
	$ 2,091	$ (197)	$ 719	$ 363
Net income	$ 953	$ (134)	$ 476	$ 245
Earnings per share	$ 0.04	$ 0.00	$ 0.02	$ 0.01

(in $000s, except per share amounts)	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Revenues	$ 11,746	$ 5,719	$ 18,396	$ 4,945
Performance fees, included in revenues above				
Asset Management	$ (11)	$ 107	$ 11,960	$ -
Hedge Funds	6,709	-	1,785	100
	$ 6,698	$ 107	$ 13,745	$ 100
EBITDA				
Asset Management	$ 380	$ 781	$ 8,151	$ 34
Hedge Funds	3,084	(33)	294	(156)
	$ 3,464	$ 748	$ 8,445	$ (122)
Income (loss) before income taxes and minority interest				
Asset Management	$ 314	$ 712	$ 8,083	$ (103)
Hedge Funds	1,751	(927)	(62)	(554)
	$ 2,065	$ (215)	$ 8,021	$ (657)
Net income (loss)	$ 639	$ (293)	$ 3,701	$ (260)
Earnings (loss) per share	$ 0.03	$ (0.01)	$ 0.17	$ (0.01)

The quarterly information shown above is presented in a format that differs from that shown in the MD&A for the year ended September 30, 2006.

Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited

	December 31 2006	September 30 2006
Assets		
Current		
Cash and cash equivalents	$ 10,281,765	$ 14,661,491
Receivables	10,170,297	4,433,246
Prepaids	357,662	338,755
Future income taxes	294,882	655,583
	21,104,606	20,089,075
Capital assets	551,293	576,533
Deferred sales commissions	1,493,524	1,716,075
Fund management contracts (Note 9)	2,538,219	-
Goodwill	2,524,757	2,194,717
Investments in funds managed by the Corporation	1,557,481	1,557,481
Other assets (Note 5)	1,373,415	1,576,076
Future income taxes	250,085	457,921
	$ 31,393,380	$ 28,167,878
Liabilities		
Current		
Payables and accruals	$ 6,776,949	$ 5,083,122
Deferred revenue	50,000	369,275
Dividends payable	824,997	-
Current portion of capital lease obligations	5,185	8,378
Current portion of long-term debt (Note 6)	1,252,532	572,702
Income taxes payable	-	1,562,921
Future income taxes (Note 9)	124,367	-
	9,034,030	7,596,398
Capital lease obligations	14,379	15,724
Long-term debt (Note 6)	-	1,241,718
Future income taxes (Note 9)	735,835	-
	9,784,244	8,853,840
Non-controlling interest	5,101,910	5,789,544
Shareholders' Equity		
Capital stock (Note 7)	12,053,733	9,234,862
Contributed surplus (Note 7)	672,035	636,348
Retained earnings	3,781,458	3,653,284
	16,507,226	13,524,494
	$ 31,393,380	$ 28,167,878

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.

Consolidated Statements of Operations and Retained Earnings - Unaudited

For the three-month period ended December 31	2006	2005
Revenues		
Management fees, administration and redemption fees	$ 5,434,457	$ 4,755,790
Performance fees	3,884,633	6,698,202
Interest and other income	949,589	291,733
	10,268,679	11,745,725
Expenses		
Selling, general and administration	4,975,823	4,114,546
Stock-based compensation (Note 4)	49,093	45,766
Investment adviser fees	135,235	197,792
Service fees paid to dealers	246,407	417,023
Investment adviser, service fees and expenses paid relating to performance fees revenue earned	2,272,660	3,553,109
Depreciation of capital assets	51,477	60,641
Amortization of deferred sales commissions and fund management contracts	270,537	156,995
Amortization of management contract establishment expenses	124,835	1,075,455
Interest expense	51,627	59,256
	8,177,694	9,680,583
Income before income taxes and minority interest (Note 8)	2,090,985	2,065,142
Income taxes		
Current	91,863	46,502
Future	558,173	732,499
	650,036	779,001
Income before minority interest	1,440,949	1,286,141
Minority interest share of income	(487,778)	(647,220)
Net income	$ 953,171	$ 638,921
Basic and diluted earnings per share	$ 0.04	$ 0.03
Weighted average number of shares outstanding	22,987,351	21,589,366
Retained earnings, beginning of period	$ 3,653,284	$ 3,731,878
Net income	953,171	638,921
Dividends declared (Note 10)	(824,997)	(539,734)
Retained earnings, end of period	$ 3,781,458	$ 3,831,065

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statements of Cash Flows - Unaudited

For the three-month period ended December 31	2006	2005
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net income	$ 953,171	$ 638,921
Add (subtract) non-cash items:		
Stock-based compensation (Note 4)	49,093	45,766
Depreciation of capital assets	51,477	60,641
Amortization of deferred sales commissions and fund management contracts	270,537	156,995
Amortization of management contract establishment expenses	124,835	1,075,455
Future income taxes	558,173	732,499
Minority interest share of income	487,778	647,220
Gain on sale of management contract	(572,702)	-
Other	3,940	28,621
	1,926,302	3,386,118
Net change in non-cash working capital balances relating to operations	(5,944,325)	(9,217,898)
Cash used in operating activities	(4,018,023)	(5,831,780)
Financing activities		
Issuance of loan to employee to purchase shares of subsidiary	(125,000)	-
Issuance of common shares on exercise of stock options	20,000	-
Issuance of common shares of subsidiaries	69,750	-
Repayment of long-term debt	-	(81,819)
Repayment of capital lease obligations	(4,538)	(7,320)
Repayment of management loans	48,089	63,960
Cash provided by (used in) financing activities	8,301	(25,179)
Investing activities		
Payment of sales commissions	(17,405)	(50,254)
Acquisition of minority shareholders' interest in subsidiary	(125,000)	-
Payment of management contract establishment expenses	(124,835)	-
Purchase of capital assets	(26,238)	(19,021)
Acquisition costs of offer to purchase shares of BluMont	(76,526)	-
Cash used in investing activities	(370,004)	(69,275)
Decrease in cash and cash equivalents	(4,379,726)	(5,926,234)
Cash and cash equivalents, beginning of period	14,661,491	14,668,356
Cash and cash equivalents, end of period	$ 10,281,765	$ 8,742,122

Supplemental disclosure from non-cash investment and financing activities		
Capital stock issued by means of purchase of BluMont (Note 9)	$ 2,798,871	$ -

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.

Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

1. Organization

Integrated Asset Management Corp. (the "Corporation" or "IAM") was incorporated under the laws of Ontario and its common shares are listed on the TSX Venture Exchange. The Corporation's principal business is alternative asset investment management.

2. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the requirements of the Canadian Institute of Chartered Accountants (''CICA'') Handbook Section 1751, *Interim Financial Statements*. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with Canadian GAAP have been omitted or condensed. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements as at and for the year ended September 30, 2006, as set out in the Corporation's 2006 Annual Report.

In the opinion of management, the unaudited interim consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary by management to present a fair statement of the results of operations, financial position and cash flows. The consolidated financial statements were prepared using the same accounting policies and methods as those used in the Corporation's financial statements for the year ended September 30, 2006, except as explained in Note 3 below.

3. Changes in Accounting Policies

Effective October 1, 2006, the Corporation adopted CICA Handbook Section 1530, *Comprehensive Income*, CICA Handbook Section 3855, *Financial Instruments — Recognition and Measurement* and CICA Handbook Section 3865, *Hedges*. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Handbook Section 1530 also introduces a new component of equity referred to as comprehensive income.

Under these new standards, all financial instruments, including derivatives, are included on the consolidated balance sheet and are measured either at fair market value or, in limited circumstances, at cost or amortized cost. Derivatives that qualify as hedging instruments must be designated as either a ''cash flow hedge,'' when the hedged item is a future cash flow, or a ''fair value hedge,'' when the hedged item is a recognized asset or liability. The unrealized gains and losses related to a cash flow hedge are included in other comprehensive income. For a fair value hedge, both the derivative and the hedged item are recorded at fair value in the consolidated balance sheet and the unrealized gains and losses from both items are included in earnings. For derivatives that do not qualify as hedging instruments, unrealized gains and losses are reported in earnings.

In accordance with the provisions of these new standards, the "Investments in funds managed by the Corporation" were classified on October 1, 2006 as available for sale securities that do not have a quoted market price in an active market. Under these new standards, these securities are measured at cost on the Consolidated Balance Sheet of the Corporation and there is no impact to the Consolidated Statement of Operations. There were no other adjustments required to the Corporation's consolidated financial statements as of October 1, 2006.

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

4. Stock-Based Compensation and Other Stock-Based Payments

The Corporation has established an incentive stock option plan for the executives, key employees, directors and consultants to the Corporation. As at December 31, 2006 there were 1,222,000 common shares (September 30, 2006 - 1,242,000 common shares) reserved for issuance on exercise of stock options.

These options expire in 2007 through 2011 and may be exercised at prices of $1.00 and $2.00 per common share with a total exercisable value of $1,302,000 (September 30, 2006 - $1,322,000).

Number of Options	Number of Options Vested	Exercise Price	Expiry Date
310,000	310,000	$ 1.00	2007
80,000	80,000	$ 1.00	2008
752,000	501,333	$ 1.00	2010
80,000	26,667	$ 2.00	2011
1,222,000	918,000		

The changes in the stock options are as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, September 30, 2006	1,242,000	$ 1.06
Exercised	(20,000)	1.00
Balance, December 31, 2006	1,222,000	$ 1.07

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

5. Other Assets

	December 31 2006	September 30 2006
Management loans	$ 580,793	$ 503,882
Other	792,622	1,072,194
	$ 1,373,415	$ 1,576,076

6. Long-term Debt

	December 31 2006	September 30 2006
Convertible debenture, in subsidiary company (a)	$ 1,252,532	$ 1,241,718
Man Investments payments (b)	-	572,702
	1,252,532	1,814,420
Less: amount due within one year included in current liabilities	(1,252,532)	(572,702)
	$ -	$ 1,241,718

(a) The convertible debenture of $1.3 million matures on December 31, 2007 and in accordance with Canadian generally accepted accounting principles, BluMont has classified the convertible debenture into its respective debt and equity components on BluMont's financial statements. For the purposes of these consolidated financial statements, the equity component of $180,651 is included in minority interest of the Corporation. Unless the convertible debenture is converted into common shares of BluMont or principal payments are made, the debt component will increase in future periods to an amount of $1.3 million as at December 31, 2007.

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

6. Long-term Debt - (continued)

(b) During the quarter ended December 31, 2004, BluMont received a payment of $1.0 million in respect of an advance of future fees from Man Investments Inc. ("Man Investments"), a company with which BluMont had a strategic relationship. The amount of $1.0 million was repayable in equal quarterly amounts of principal and interest over three years out of future fees payable by Man Investments to BluMont and is unsecured. The effective interest rate on the advance is 4.7%.

Effective January 31, 2006, BluMont and Man Investments agreed to change the repayment terms of the outstanding amount owing as at January 31, 2006 subject to certain conditions.

BluMont agreed to transfer to Man Investments the management contract of the BluMont Man Multi Strategy Fund. Man Investments agreed to relinquish its rights to the amounts due to it as at January 31, 2006 which approximated $573,000. This transfer to Man Investments and the relinquishing of its rights to the amounts due was completed in November 2006.

7. Share Capital and Contributed Surplus

Authorized:
The Corporation is authorized to issue an unlimited number of common shares.

Issued:

	Share Capital		
	Number of Common Shares	Amount	Contributed Surplus
Balance, September 30, 2006	21,859,366	$ 9,234,862	$ 636,348
Shares issued on acquisition of shares of BluMont	1,691,977	2,798,871	-
Issuance of common shares on exercise of incentive stock options	20,000	20,000	-
Stock-based compensation (Note 4)	-	-	35,687
Balance, December 31, 2006	23,571,343	$ 12,053,733	$ 672,035

(a) The amount of $35,687 credited to Contributed Surplus represents the stock-based compensation expense of $49,093 for stock options granted by both the Corporation and BluMont as shown on the Consolidated Statement of Operations, less an amount of $13,406 representing the minority interest portion of BluMont's stock compensation expense.

The Corporation had no other comprehensive income for the quarter ended and as at December 31, 2006.

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

8. Segmented Information

The following table discloses information about the Corporation's reportable segments:

Three months ended December 31, 2006	**Asset Management**	**Hedge Funds**	**Eliminations**	**Total**
Income before income taxes and minority interest	$ 511,423	$ 1,579,562	$ -	**$ 2,090,985**
Revenue	3,480,119	6,870,245	(81,685)	**10,268,679**
Interest and other income	210,146	739,443	-	**949,589**
Interest expense	4,706	46,921	-	**51,627**
Amortization and depreciation	31,790	415,059	-	**446,849**
Assets	20,504,229	15,411,657	(4,522,506)	**31,393,380**

Three months ended December 31, 2005				
Income before income taxes and minority interest	$ 313,642	$ 1,751,500	$ -	**$ 2,065,142**
Revenue	2,902,329	9,015,967	(172,571)	**11,745,725**
Interest and other income	138,651	153,082	-	**291,733**
Interest expense	5,893	53,363	-	**59,256**
Amortization and depreciation	34,466	1,258,625	-	**1,293,091**
Assets	15,954,828	15,485,797	(1,425,639)	**30,014,986**

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited

December 31, 2006

9. Business Acquisition

On October 27, 2006 and November 10, 2006, IAM acquired in total an additional 15.2% of the outstanding common shares of BluMont Capital Inc. increasing its ownership in BluMont from 46.2% to 61.4% as of November 10, 2006. As consideration, 1,691,977 common shares of IAM were issued for a total consideration of $3,145,638 including transaction costs.

Details of the net assets acquired, at fair value, are as follows:

(in $000's)		
Cash	$	811
Receivables and prepaids		491
Deferred sales commissions		261
Capital assets		38
Other assets and future income taxes		212
Fund management contracts, net of future income taxes		1,698 (1)
Payables and accruals		(311)
Long-term debt and capital lease obligations		(279)
Goodwill on acquisition		225
	$	3,146

Details of the consideration given, at fair value, are as follows:

(in $000's)		
IAM common shares	$	2,799
Transaction costs		347
	$	3,146

(1) Fund management contracts of $2,569, a finite intangible asset determined at the time of acquisition, and a future income tax liability of $871 have been set up for accounting purposes and are being amortized straight line over the terms of the contracts, which is seven years.

The common shares of IAM issued as consideration were valued at $1.65 per share using the weighted average closing price of the IAM common shares on the two dates that the Corporation issued its common shares to BluMont shareholders.

The amounts assigned to the assets assumed and liabilities acquired and associated goodwill and intangible assets may be adjusted when the allocation process has been finalized. The allocation of the purchase price is expected to be completed in the second quarter of 2007.

10. Subsequent Events

(a) On December 20, 2006, the Corporation announced its intention to take such action as is necessary for IAM to undertake a subsequent acquisition transaction to acquire all of the outstanding BluMont common shares that IAM did not already own.

An annual and special meeting of BluMont is to be held on February 28, 2007. At the meeting, shareholders of BluMont are to consider a special resolution approving the amalgamation of BluMont with a wholly owned subsidiary of IAM.

(b) The Corporation paid a regular cash dividend of $0.035 per common share to shareholders of record on January 10, 2007.

Integrated Asset Management Corp.
Board of Directors

December 31, 2006

Victor Koloshuk
Chairman, President and Chief Executive Officer,
Integrated Asset Management Corp.

G.E.A. Pacaud
Chairman, Greiner-Pacaud Management Associates
and Vice Chairman, Integrated Asset Management Corp.

David Atkins (1) (2)
Chairman, Swiss Re Group Companies of Canada

George Elliott (1) (2)
Chairman, Titanium Corporation

George Engman
President and Chief Executive Officer, Integrated Partners

Veronika Hirsch
Chief Investment Officer, BluMont Capital Corporation

Stephen Johnson (3)
Chief Financial Officer,
Integrated Asset Management Corp.

Michel LeBel (1) (2) (4)
Chairman and President,
EBITD Financial Advisory Corporation

Donald Lowe (1) (2)
Corporate Director

David Mather
Executive Vice President,
Integrated Asset Management Corp.

John Robertson
President and Chief Executive Officer,
Integrated Private Debt Corp.

(1) Member of the Audit Committee
(2) Member of the Compensation and Governance Committee
(3) Secretary of the Corporation
(4) Lead Director

Integrated Asset Management Corp.
Principal Officers

December 31, 2006

Integrated Asset Management Corp.
Victor Koloshuk
Chairman, President and Chief Executive Officer

G.E.A. Pacaud
Vice Chairman

Stephen Johnson
Chief Financial Officer

David Mather
Executive Vice President

Michael Staresinic
Corporate Controller

Quebec Representative
Joseph Benarrosh
Directeur, Quebec

Integrated Partners
Victor Koloshuk
Chairman

George Engman
President and Chief Executive Officer

Stephen Johnson
Senior Vice President

James Ridout
Vice President

Greiner-Pacaud Management Associates
G.E.A. Pacaud
Chairman

Brent Chapman
President

Rick Zagrodny
Senior Vice President Asset Management

Greiner-Pacaud Management Associates
David Warkentin
Senior Vice President, Investments

Robert Burns
Chief Financial Officer

Frank Bartello
Vice President, Acquisitions

David Becket
Vice President, Asset and Property Management

Greiner-Pacaud/ Hamilton Management Inc.
Robert Hamilton
President

Integrated Private Debt Corp.
John Robertson
President and Chief Executive Officer

Ben Bacigalupi
Managing Director

Donald Bangay
Managing Director

Frank Duffy
Managing Director

Michael LeClair
Managing Director

Philip Robson
Managing Director

Douglas Zinkiewich
Managing Director

Integrated Managed Futures Corp.
Stephen Johnson
Chairman

Roland Austrup
President and Chief Executive Officer

David Mather
Vice President

Darton Property Advisors & Managers Inc.
Gary Hudson
President

Steven Harris
Senior Vice President

Siobhan Kenny
Vice President, Leasing

Susan Russell
Vice President, Finance

BluMont Capital
Victor Koloshuk
Chairman

Stephen Kangas
President and Chief Executive Officer

Veronika Hirsch
Chief Investment Officer

Stephen Johnson
Chief Financial Officer

Pierre Novak
Executive Vice President, Sales

James Wanstall
Executive Vice President, National Sales

Conor Bill
Managing Director

Peter Chodos
Managing Director

David Scobie
Managing Director

Integrated Asset Management Corp.
Corporate Information

December 31, 2006

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PricewaterhouseCoopers LLP

Transfer Agent:
CIBC Mellon Trust Company

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TSX Venture Exchange - "IAM"

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 www.imfc.ca

BluMont Capital Inc. is a TSX Venture Exchange listed company ("BCC") and financial information regarding the company is available through SEDAR (www.sedar.com) or by contacting:
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