

Leadership in Alternative Asset Management

FIRST QUARTER REPORT, DECEMBER 31, 2007

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 2008.

Net income for the quarter ended December 31, 2007 was \$0.6 million or \$0.02 per share compared with \$1.0 million or \$0.04 per share in the comparable quarter of fiscal 2007.

Revenues of \$7.1 million in the quarter were lower than in the prior year's quarter of \$10.3 million as a result of lower performance fees realized in the latest quarter. Performance fees realized during the quarter were \$1.5 million compared with \$3.9 million realized in the preceding December 31st quarter, all of which were generated from retail alternative investment products.

The lower performance fees in the current quarter adversely impacted EBITDA. EBITDA was \$1.3 million in the quarter, down from \$2.6 million in the prior year's comparable quarter. Cash flow per share was \$0.02, down from \$0.08 per share.

Assets and committed capital under management ("AUM") decreased slightly during the quarter to approximately \$2.9 billion, however two funds of significant size were being marketed during the quarter; a real estate investment pool and a private corporate debt investment pool. These two funds are expected to close in the quarter ending March 31, 2008 with aggregate commitments of over \$500 million.

Significant commitments in the Corporation's existing real estate and private corporate debt investment pools have been deployed over the last 12 months and these funds are now fully committed. The Corporation is in the process of realizing one of its real estate investment portfolios (GPM 7) in accordance with the mandate of that fund. The asset sale should take place in the next few months and should result in performance fees being realized by the Corporation.

In November 2007, the Board of Directors approved an increase in the annual dividend from \$0.07 to \$0.08 per share in recognition of the Corporation's strong financial position and cash flow of \$0.19 per share earned in fiscal 2007. A semi-annual dividend of \$0.04 per common share was paid to shareholders of record on January 10, 2008.

In August 2007, the Corporation acquired the resource fund flow-through business of Augen Capital Corp. ("Augen"). Two aspects of this deal are noteworthy. First, two of IAM's directors are also directors of Augen. Second, IAM concluded that this business is very attractive given the tight global supply of metals and energy and is hoping to make it a significant portion of IAM's business. Thus the prospect of conflicts arising in the future became apparent both to IAM and to the directors of Augen. For this reason, Michel LeBel and George Elliott decided not to stand for re-election as directors of IAM at the Annual General Meeting held on January 23, 2008. The Corporation is very pleased that they will continue to serve as directors of Augen and we are very hopeful of a growing and very profitable relationship with Augen.

The Corporation would like to thank Michel LeBel and George Elliott for their dedication and hard work on the Corporation's board. In particular, the Corporation expresses its gratitude to Michel LeBel who has been a director since 1997, served as Chairman of the Audit Committee and lead director of the Corporation.

In January 2008, the Corporation was pleased to announce that Bruce Day was elected to the Board of Directors. Mr. Day is a chartered accountant and accomplished director with significant board experience complemented by more than 20 years of senior roles with Rogers Communications Inc. in corporate development, finance and treasury.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis ("MD&A") of Integrated Asset Management Corp. ("IAM" or the "Corporation") that follows 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 covers the financial condition and results of operations of IAM for the three months ended December 31, 2007 compared with the three months ended December 31, 2006 and is as of January 31, 2008. This analysis is supplemental to, and should be read in conjunction with, the Unaudited Consolidated Financial Statements of the Corporation and its accompanying notes, and 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.

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 January 31, 2008.

This MD&A and additional information relating to IAM, including the Annual Information Form, are on SEDAR at www.sedar.com.

BUSINESS REVIEW

IAM is an alternative asset management company offering high quality alternative asset class management to institutional, pension and private clients. The Corporation provides investors with a broad range of asset classes such as, real estate, private equity, private corporate debt and retail alternative investments. The Corporation had assets and committed capital under management ("AUM") of approximately \$2.9 billion at December 31, 2007.

The Corporation's private corporate debt, real estate (with the exception of property management) and private equity 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 to twelve 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.

The Corporation's other financial products, including retail alternative investments ("Retail Alternative Investments") and real estate property management, are subject to agreements, in accordance with industry practices, whereby clients can withdraw their assets or terminate the contracts on short notice.

Retail Alternative Investments comprise financial products for Canadian retail investors through BluMont Capital Corporation ("BluMont Capital"), a wholly-owned subsidiary of the Corporation. BluMont Capital's sales force throughout Canada has an extensive financial advising distribution network through which virtually all sales of Retail Alternative Investments are made.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM")

AUM decreased by \$115 million during the quarter ended December 31, 2007.

(\$ millions)	December 31, 2007	September 30, 2007	December 31, 2006
AUM	\$ 2,864	\$ 2,979	\$ 3,039

Approximately \$100 million of this decrease is due to the Corporation canceling, with the agreement of its investors, certain commitments in the Corporation's private corporate debt fund (IPD LP 1). These cancellations have allowed the Corporation to accelerate the launching of a second private corporate debt fund (IPD LP 2). Together with a new real estate investment fund currently being marketed by the Corporation (GPM 11), these two new funds are expected to close with aggregate commitments of over \$500 million by March 31, 2008.

The real estate portfolio in one fund (GPM7) is in the process of being realized and the sale should close in the next few months with performance fees realized by the Corporation. The sale will not have a material impact on the AUM of the Corporation.

RESULTS OF OPERATIONS

EBITDA was \$1.3 million in the quarter ended December 31, 2007 compared with \$2.6 million for the three-month period ended December 31, 2006. This decrease of \$1.3 million is due primarily to the impact of lower net performance fees (\$0.9 million) and the prior year's quarter including a gain on the sale by BluMont Capital of a management contract of a hedge fund (\$0.6 million).

There was income before income taxes and non-controlling interest for the latest quarter of \$0.6 million compared with \$2.1 million in the comparable quarter of fiscal 2007.

In addition to the analysis above, there was higher depreciation and amortization in the latest quarter. The Corporation recorded an accounting charge of approximately \$0.4 million in the latest quarter in respect of the amortization of fund management contracts resulting from the acquisition of a 54% interest in BluMont Capital in fiscal 2007 and other fund management contracts acquired by BluMont Capital in the latest quarter. The fund management contracts shown as \$9.0 million on the Corporation's Consolidated Balance Sheet at December 31, 2007 will be amortized over 7 years with a non-cash amortization expense of approximately \$0.4 million each quarter.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Selected financial information

Three-Month Period
Ended December 31,

(in \$000s, except per share amounts)

	2007		2006
Revenues	\$ 7,072	\$	10,269
Performance fees, included in revenues above	\$ 1,509	\$	3,885
Net performance fees ⁽¹⁾	\$ 746	\$	1,612
Reconciliation of EBITDA to Net Income and Comprehensive Income			
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	\$ 1,289	\$	2,639
Depreciation and amortization	(586)		(447)
Interest expense	(51)		(52)
Stock-based compensation	(47)		(49)
Income before income taxes and non-controlling interest	605		2,091
Income taxes	(1)		(650)
Non-controlling interest	(47)		(488)
Net income and comprehensive income	\$ 557	\$	953
Basic and diluted earnings per share	\$ 0.02	\$	0.04

⁽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.

⁽²⁾ EBITDA is a non-GAAP financial measure used by the Corporation. This measure is calculated as earnings before the deduction of non-controlling interest, interest expense, income taxes, depreciation and amortization, stock-based compensation and equity loss of investments in funds managed by the Corporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

REVENUES

In aggregate, revenues declined from \$10.3 million in the previous fiscal year's quarter to \$7.1 million in the quarter ended December 31, 2007 due primarily to lower performance fees.

Performance fees realized were \$1.5 million in the latest quarter compared with \$3.9 million in the comparable quarter in fiscal 2007. All the performance fees realized in both periods were from retail alternative investment products.

Management fees, administration and redemption fees were \$5.2 million in the latest quarter, a \$0.2 million decline from the comparable quarter of fiscal 2007. Redemption fees were nominal in the latest quarter compared with \$0.2 million in the prior year's first quarter. Overall, management fees remained unchanged although there was a decline of \$0.2 million in management fees in the private equity investment pool as AUM have declined.

Interest and other income of \$0.9 million in the quarter ended December 31, 2006 included \$0.6 million in respect of the gain on the sale of the management contract of a hedge fund to a third party.

EXPENSES

The Corporation reported consolidated expenses of \$6.5 million for the quarter ended December 31, 2007 (quarter ended December 31, 2006: \$8.2 million). There were approximately \$0.8 million of expenses related to performance fees realized in the quarter ended December 31, 2007 compared to \$2.3 million in the comparable quarter as performance fees were lower in the latest quarter.

Important components of expenses are selling, general and administration ("SG&A") of \$4.6 million (quarter ended December 31, 2006: \$5.0 million). Salaries and related costs are a substantial portion of SG&A and have decreased by approximately \$0.4 million from the comparable quarter of the prior year. The decreases in salaries and related costs were almost entirely attributable to a reduction in bonuses accrued by the Corporation. The quarter ended December 31, 2006 included out of pocket expenses of \$0.3 million resulting to a product launch which was expensed.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CONSOLIDATED FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2007, the Corporation's net liquid assets (excluding future income taxes) decreased \$1.7 million to \$11.4 million from \$13.1 million at September 30, 2007. The Corporation paid in aggregate approximately \$0.8 million during the quarter to acquire the management contracts of two mutual funds, for which BluMont Capital is the portfolio manager, and payments for the management contracts of a flow-through business. A further \$0.3 million is included in payables and accruals as at December 31, 2007 for these management contracts. In addition, the Corporation accrued \$1.1 million at December 31, 2007 for a semi-annual dividend which was paid to shareholders in January 2008.

Consolidated assets were \$34.6 million at December 31, 2007 compared with \$36.7 million at September 30, 2007. Cash balances declined from \$15.4 million to \$11.0 million during the quarter as shown on the Consolidated Statements of Cash Flows. The cash was used to repay the remaining long-term debt of the Corporation on its maturity (\$1.3 million), the acquisitions described in the previous paragraph (\$0.8 million) and the payment of corporate income taxes (\$1.0 million).

Receivables have increased approximately \$1.7 million primarily due to the performance fees of \$1.5 million recognized on December 31, 2007. These were received in January 2008.

Cash flow from operations (which is a non-GAAP measure) was \$0.02 per share for the latest quarter and \$0.08 per share in the comparable quarter of fiscal 2007.

(in \$000s, except per share amounts)	Three-Month Period Ended December 31,	
	2007	2006
Cash used in operating activities ⁽¹⁾	\$ (2,201)	\$ (4,018)
Net change in non-cash balances from operations ⁽¹⁾	2,902	5,944
Cash flow from operations ⁽¹⁾	\$ 701	\$ 1,926
Cash flow from operations per share ⁽²⁾	\$ 0.02	\$ 0.08

⁽¹⁾ These amounts are shown in the Consolidated Statements of Cash Flows in the Unaudited Consolidated Financial Statements.

⁽²⁾ Calculated by dividing cash flow from operations by the weighted average number of shares outstanding in the quarter.

In November 2007, the Board of Directors of the Corporation declared an increase in the annual dividend from \$0.07 to \$0.08 per share. A semi-annual dividend of \$0.04 per share (an aggregate amount of \$1.1 million) was declared and paid to shareholders in January 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The future income tax liability of approximately \$2.5 million (including the current portion of \$0.4 million) is not a cash liability of the Corporation but is an accounting item resulting from the acquisition of the remaining shares of BluMont Capital in fiscal 2007. This future income tax liability is derived from the setting up of fund management contracts as an asset on the balance sheet (\$9.0 million as at December 31, 2007) and both are being amortized over 7 years.

During the quarter, the Government of Canada substantively enacted new tax rates impacting current and future corporate income tax rates through to 2012. Under Canadian GAAP, substantively enacted tax rates are required to be incorporated into financial statements. As a result of these future tax rate reductions, the future income tax assets and future income tax liabilities were revalued using the substantively enacted tax rates and resulted in a one-time future income tax recovery of approximately \$0.2 million which is recorded on the Consolidated Statement of Operations.

In fiscal 2007, Tony Pacaud who owns an indirect interest in approximately 25% of Greiner-Pacaud Management Associates ("GPM"), retired as Chairman of GPM. A process was started, in accordance with the GPM shareholder's agreement, which could result in the indirect acquisition by IAM of Mr. Pacaud's ownership in GPM. As at January 31, 2008, this process was continuing and no definitive agreement had been reached.

OUTSTANDING SHARE DATA (as at January 31, 2008)

Common shares

Issued and outstanding	28,568,377
Stock options	2,348,612 ⁽¹⁾

⁽¹⁾ Stock options to acquire 2,348,612 common shares at prices ranging from \$1.00 to \$2.80 per common share.

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 2007 Annual Report.

OFF-BALANCE SHEET ARRANGEMENTS

Except for the potential acquisition by the Corporation of an approximate 25% ownership interest in GPM as described under "Consolidated Financial Position, Liquidity and Capital Resources", the Corporation has no off-balance sheet financial arrangements and no material contractual obligations other than those described in the 2007 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, 2007. The 2007 Annual Report provides further information.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 Retail Alternative Investments 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 in the 2007 Annual Report. Investments in funds managed by the Corporation are classified as either trading securities or available for sale securities that do not have a quoted market price in an active market.

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.

Business Acquisition

The allocation of the purchase price by the Corporation to the assets purchased and liabilities assumed of BluMont Capital required management to make certain estimates of value. The excess of the purchase price over the amounts assigned to the assets acquired and liabilities assumed is referred to as goodwill.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CHANGE IN ACCOUNTING POLICIES

Effective October 1, 2007, the Corporation adopted CICA Handbook Section 1506, *Accounting Changes*, CICA Handbook Section 1535, *Capital Disclosures*, CICA Handbook Section 3862, *Financial Instruments - Disclosures* and CICA Handbook Section 3863, *Financial Instruments - Presentation*.

Accounting Changes prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. This standard did not affect the Corporation's consolidated financial position or results of operations.

Capital Disclosures requires that the Corporation disclose information that enables users of its financial statements to evaluate the Corporation's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance.

CICA Handbook Section 3862 and 3863 replaces CICA Handbook Section 2861, *Financial Instruments - Disclosure and Presentation*. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Corporation manages those risks.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

SELECTED QUARTERLY INFORMATION

(in \$000s, except per share amounts)	December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Revenues	\$	7,072	\$	6,178	\$	11,103	\$	5,121
Performance fees, included in revenues above	\$	1,509	\$	71	\$	5,413	\$	-
Net performance fees	\$	745	\$	67	\$	2,937	\$	-
EBITDA	\$	1,289	\$	878	\$	2,740	\$	473
Income (loss) before income taxes and non-controlling interest	\$	605	\$	78	\$	1,692	\$	(193)
Net income (loss) and comprehensive income (loss)	\$	557	\$	(300)	\$	1,170	\$	(43)
Earnings (loss) per share	\$	0.02	\$	(0.01)	\$	0.04	\$	0.00

(in \$000s, except per share amounts)	December 31, 2006		September 30, 2006		June 30, 2006		March 31, 2006	
Revenues	\$	10,269	\$	5,322	\$	6,926	\$	8,919
Performance fees, included in revenues above	\$	3,885	\$	-	\$	1,313	\$	3,550
Net performance fees		1,612		631		671		1,002
EBITDA	\$	2,639	\$	961	\$	1,102	\$	698
Income before income taxes and non-controlling interest	\$	2,091	\$	355	\$	680	\$	330
Net income and comprehensive income ⁽¹⁾	\$	953	\$	184	\$	454	\$	226
Earnings per share	\$	0.04	\$	0.01	\$	0.02	\$	0.01

⁽¹⁾ The financial results for the three quarters in 2006 (Q1, Q2 and Q3) have been restated to reflect equity earnings (loss) in an investment in a fund managed by the Corporation.

Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited

	December 31 2007	September 30 2007
Assets		
Current		
Cash and cash equivalents	\$ 10,962,066	\$ 15,387,203
Receivables	6,191,948	4,535,108
Prepays	452,619	521,106
Future income taxes	290,009	7,684
	<u>17,896,642</u>	<u>20,451,101</u>
Property and equipment	947,588	969,905
Deferred sales commissions	722,760	872,262
Fund management contracts (Note 4)	8,990,024	8,266,199
Goodwill	2,675,530	2,675,530
Investments in funds managed by the Corporation	1,672,779	1,655,968
Other assets (Note 5)	1,430,020	1,486,337
Future income taxes	302,730	357,783
	<u>\$ 34,638,073</u>	<u>\$ 36,735,085</u>
Liabilities		
Current		
Payables and accruals	\$ 4,541,066	\$ 5,048,546
Deferred revenue	145,157	252,501
Dividends payable	1,141,135	-
Current portion of capital lease obligations	5,724	5,585
Current portion of long-term debt (Note 6)	-	1,287,470
Income taxes payable	333,006	743,997
Future income taxes	444,001	440,492
	<u>6,610,089</u>	<u>7,778,591</u>
Capital lease obligations	8,655	10,139
Tenant inducements and deferred revenue	669,306	703,163
Future income taxes	2,027,915	2,345,507
	<u>9,315,965</u>	<u>10,837,400</u>
Non-controlling interest	<u>1,404,847</u>	<u>1,482,350</u>
Shareholders' Equity		
Capital stock (Note 7)	20,145,987	20,099,587
Contributed surplus (Note 7)	744,731	704,569
Retained earnings	3,026,543	3,611,179
	<u>23,917,261</u>	<u>24,415,335</u>
	<u>\$ 34,638,073</u>	<u>\$ 36,735,085</u>

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statements of Operations, Comprehensive Income and Retained Earnings - Unaudited

For the three-month period ended December 31	2007	2006
Revenues		
Management fees, administration and redemption fees	\$ 5,169,748	\$ 5,434,457
Performance fees	1,509,431	3,884,633
Interest and other income	393,027	949,589
	<u>7,072,206</u>	<u>10,268,679</u>
Expenses		
Selling, general and administration	4,564,670	4,975,823
Stock-based compensation (Note 3)	46,562	49,093
Investment adviser fees	109,409	135,235
Service fees paid to dealers	345,194	246,407
Investment adviser, service fees and expenses paid relating to performance fees revenue earned	763,815	2,272,660
Depreciation of property and equipment	66,219	51,477
Amortization of deferred sales commissions and fund management contracts	520,233	270,537
Amortization of management contract establishment expenses	-	124,835
Interest expense	51,448	51,627
	<u>6,467,550</u>	<u>8,177,694</u>
Income before income taxes and non-controlling interest	<u>604,656</u>	<u>2,090,985</u>
Income taxes (recovery)		
Current	542,015	91,863
Future	(541,355)	558,173
	<u>660</u>	<u>650,036</u>
Income before non-controlling interest	<u>603,996</u>	<u>1,440,949</u>
Non-controlling interest share of income	<u>(47,497)</u>	<u>(487,778)</u>
Net income and comprehensive income	<u>\$ 556,499</u>	<u>\$ 953,171</u>
Basic and diluted earnings per share	<u>\$ 0.02</u>	<u>\$ 0.04</u>
Weighted average number of shares outstanding	<u>28,515,044</u>	<u>22,987,351</u>
Retained earnings, beginning of period	\$ 3,611,179	\$ 3,653,284
Net income	556,499	953,171
Dividends declared (Note 9)	(1,141,135)	(824,997)
Retained earnings, end of period	<u>\$ 3,026,543</u>	<u>\$ 3,781,458</u>

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	2007	2006
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net income	\$ 556,499	\$ 953,171
Add (subtract) non-cash items:		
Stock-based compensation (Note 3)	46,562	49,093
Depreciation of property and equipment	66,219	51,477
Amortization of deferred sales commissions and fund management contracts	520,233	270,537
Amortization of management contract establishment expenses	-	124,835
Gain on sale of management contract	-	(572,702)
Future income taxes (recovery)	(541,355)	558,173
Non-controlling interest share of income	47,497	487,778
Other	5,050	3,940
	700,705	1,926,302
Net change in non-cash working capital balances relating to operations	(2,901,731)	(5,944,325)
Cash used in operating activities	(2,201,026)	(4,018,023)
Financing activities		
Issuance of common shares on exercise of stock options	40,000	20,000
Issuance of common shares of subsidiaries	-	69,750
Issuance of loan to employee to purchase shares of subsidiary	-	(125,000)
Repayment of long-term debt	(1,300,000)	-
Repayment of management loans	46,985	48,089
Repayment of capital lease obligations	(1,345)	(4,538)
Dividends paid to non-controlling interests	(125,000)	-
	(1,339,360)	8,301
Cash provided by (used in) financing activities	(1,339,360)	8,301
Investing activities		
Payment of sales commissions	(11,701)	(17,405)
Acquisition of non-controlling shareholders' interest in subsidiary	-	(125,000)
Acquisition of shares of BluMont Capital	-	(76,526)
Payment of management contract establishment expenses	-	(124,835)
Purchase of property and equipment	(43,902)	(26,238)
Purchase of fund management contracts	(829,148)	-
	(884,751)	(370,004)
Cash used in investing activities	(884,751)	(370,004)
Decrease in cash and cash equivalents	(4,425,137)	(4,379,726)
Cash and cash equivalents, beginning of period	15,387,203	14,661,491
Cash and cash equivalents, end of period	\$ 10,962,066	\$ 10,281,765
Supplemental disclosure from non-cash investment and financing activities		
Capital stock issued for the purchase of BluMont Capital (Note 8)	\$ -	\$ 2,798,871
Interest paid	\$ 38,918	\$ 40,814
Income taxes paid	\$ 953,006	\$ 1,654,784

See accompanying notes to the consolidated financial statements.

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

December 31, 2007

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. The Corporation's principal business is alternative asset management and operates in one geographic segment (Canada).

During fiscal 2007, the Corporation determined that there was one reportable segment.

The Corporation manages assets across a variety of alternative asset classes for retail, institutional and high net worth customers. All of the Corporation's revenues and cash flows are derived from managing and administering this business.

During fiscal 2007, the Corporation increased its ownership in BluMont Capital to 100%. Past segmentation was prepared to accommodate BluMont Capital's status as a separate public company with a virtually exclusive retail focus. Following the completion of BluMont Capital's privatization, separate segmented information for BluMont Capital has not been presented.

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, 2007, as set out in the Corporation's 2007 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, 2007.

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

December 31, 2007

3. 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, 2007 there were 2,388,612 common shares (September 30, 2007 - 1,706,826 common shares) reserved for issuance on exercise of stock options.

These options expire in 2008 through 2013 and may be exercised at prices ranging from \$1.00 to \$2.80 per common share with a total exercisable value of \$3,470,124 (September 30, 2007 - \$2,780,123).

Number of Options	Number of Options Vested	Exercise Price	Expiry Date
40,000	40,000	\$ 1.00	2008
588,800	588,800	\$ 1.00	2010
17,857	11,905	\$ 1.40	2011
1,007,500	-	\$ 1.50	2013
17,857	17,857	\$ 1.68	2010
566,955	-	\$ 1.70	2012
80,000	53,333	\$ 2.00	2011
8,929	8,929	\$ 2.10	2009
53,571	35,714	\$ 2.10	2011
7,143	7,143	\$ 2.80	2008
2,388,612	763,681		

The changes in the stock options are as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, September 30, 2007	1,706,826	\$ 1.63
Granted	1,007,500	1.50
Exercised	(40,000)	1.00
Cancelled	(285,714)	2.73
Balance, December 31, 2007	2,388,612	\$ 1.45

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

December 31, 2007

4. Fund Management Contracts

	December 31 2007	September 30 2007
Fund management contracts, net of accumulated amortization	\$ 8,990,024	\$ 8,266,199

During the quarter ended December 31, 2007, the Corporation recorded an amount of approximately \$1.1 million to fund management contracts in respect of the purchases of the management contracts of two mutual funds and a flow-through business for which BluMont Capital is the portfolio manager.

5. Other Assets

	December 31 2007	September 30 2007
Management loans	\$ 521,067	\$ 568,052
Other	908,953	918,285
	\$ 1,430,020	\$ 1,486,337

6. Long-term Debt

	December 31 2007	September 30 2007
Convertible debenture, in subsidiary company, due within one year included in current liabilities	\$ -	\$ 1,287,470

The convertible debenture of \$1.3 million matured and was repaid on December 31, 2007.

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

December 31, 2007

7. Share Capital and Contributed Surplus

Authorized:

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

Issued:

	Share Capital		Contributed Surplus
	Number of Common Shares	Amount	
Balance, September 30, 2007	28,488,377	\$ 20,099,587	\$ 704,569
Issuance of common shares on exercise of incentive stock options	40,000	40,000	-
Stock-based compensation (Note 3)	-	6,400	40,162
Balance, December 31, 2007	28,528,377	\$ 20,145,987	\$ 744,731

The amount of \$40,162 credited to Contributed Surplus represents the stock-based compensation expense of \$46,562 for stock options granted by the Corporation as shown on the Consolidated Statement of Operations, less an amount of \$6,400 representing the amount previously expensed by the Corporation attributable to stock options exercised in the period. The \$6,400 was reallocated out of Contributed Surplus and applied against share capital.

The Corporation had no other comprehensive income for the quarter ended December 31, 2007.

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

December 31, 2007

8. Business Acquisition

During fiscal 2007, the Corporation acquired all of the outstanding common shares of BluMont Capital Inc. ("BluMont Capital") not already owned through a two-step process.

In aggregate, the consideration including transaction costs was \$11,600,397, which included the issuance of 6,076,882 common shares of the Corporation and the granting of 925,000 stock options of the Corporation to replace existing BluMont Capital stock options.

The common shares of IAM issued as consideration were valued at an average of \$1.69 per share using the weighted average closing price of IAM common shares on the dates that the Corporation issued its common shares to BluMont Capital shareholders. The stock options were valued using the Black-Scholes option pricing model reflecting the exercise prices and terms set out in the BluMont Capital stock options which were replaced.

9. Subsequent Event

The Corporation paid a regular cash dividend of \$0.04 per common share to shareholders of record on January 10, 2008. This dividend has been accrued as at December 31, 2007 and is included on the Consolidated Balance Sheet of the Corporation.

Integrated Asset Management Corp.
Board of Directors

December 31, 2007

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

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

Brent Chapman
President, Greiner-Pacaud Management Associates

Bruce Day ⁽¹⁾ ⁽²⁾
Corporate Director

George Engman
President and Chief Executive Officer, Integrated Partners

Veronika Hirsch
Chief Investment Officer, BluMont Capital

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

Donald Lowe ⁽¹⁾ ⁽²⁾
Corporate Director

David Mather
Executive Vice President,
Integrated Asset Management Corp.

Paul Perrow
President and Chief Executive Officer, BluMont Capital

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

**Integrated Asset Management Corp.
Principal Officers**

December 31, 2007

**Integrated Asset
Management Corp.**

Victor Koloshuk
*Chairman, President and
Chief Executive Officer*

Stephen Johnson
Chief Financial Officer

David Mather
Executive Vice President

Michael Staresinic
Corporate Controller

Quebec Representative

Joseph Benarosh
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**

Brent Chapman
President

David Warkentin
*Senior Vice President,
Investments*

Rick Zagrodny
Senior Vice President,
Asset Management

**Greiner-Pacaud
Management Associates**

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

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

Susan Russell
Vice President, Finance

BluMont Capital

Victor Koloshuk
Chairman

Paul Perrow
President and Chief Executive Officer

Veronika Hirsch
Chief Investment Officer

David Scobie
Chief Operating Officer

Stephen Johnson
Chief Financial Officer

Peter Chodos
Managing Director

Pierre Novak
Managing Director

James Wanstall
*Executive Vice President,
Business Development*

Integrated Asset Management Corp.
Corporate Information

December 31, 2007

Auditors:

PricewaterhouseCoopers LLP

Transfer Agent:

Equity Transfer & Trust Company

Stock Listing:

TSX - "IAM"

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