



Leadership in

Alternative Asset Management

FIRST QUARTER REPORT, DECEMBER 31, 2010

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 2011.

Net income for the quarter ended December 31, 2010 was \$1.4 million (\$0.05 per share) versus net income of \$1.6 million (\$0.06 per share) in the quarter ended December 31, 2009.

EBITDA in the latest quarter was \$1.7 million versus \$3.2 million in the same quarter of the last fiscal year. The latest quarter includes net performance fees of approximately \$1.7 million and approximately \$3.2 million in the prior year’s quarter.

In the latest quarter, the Corporation realized performance fees of approximately \$3.0 million from Retail Alternative Investments and Managed Futures. In the prior fiscal year’s first quarter, the Corporation realized performance fees of approximately \$4.7 million comprising \$4.3 million from Real Estate Asset Management and \$0.4 million from Retail Alternative Investments.

Most of the performance fees realized by Retail Alternative Investments were from BluMont Capital’s Exemplar Portfolio funds which delivered very strong performance in calendar 2010. One of these funds (Exemplar Diversified Portfolio) incorporates the managed futures strategy of the Corporation and is gaining attention from financial advisors who recognize its attractive returns and lack of correlation to equity and bond markets.

Assets and committed capital under management (“AUM”) of approximately \$2.3 billion, as at December 31, 2010 increased \$0.3 billion during the quarter from \$2.0 billion as at September 30, 2010. In October 2010, Private Corporate Debt closed a new fund (IPD 3) with total commitments of \$275 million.

In November 2010, the Corporation announced the launch of a new real estate fund (GPM 12) targeted to raise between \$150 million and \$200 million, with the first closing expected in March 2011. Real Estate Asset Management has started the divestiture process for the properties in its GPM 8 fund and expects the monetization of the fund to take place in Q3 of fiscal 2011 together with the realization of a performance fee.

In September 2010, IAM announced the reinstatement of a regular cash dividend and the declaration of a dividend of \$0.04 per common share which was paid in October 2010.

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, 2010 compared with the three months ended December 31, 2009 and is as of January 31, 2011. 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, 2011.

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 \$2.3 billion at December 31, 2010.

The Corporation's private corporate debt, real estate 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 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 received 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Corporation's other financial products, including retail alternative investments ("Retail Alternative Investments"), 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.

In November 2010, the Corporation's 51% owned subsidiary, OreReserve Asset Management Inc. ("OreReserve") agreed to terminate its sole fund management contract to manage a portfolio of emerging resource stocks. OreReserve received payment in respect of the termination and incurred certain costs. The impact of this contract termination on the financial results of the Corporation is not material.

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM")

AUM increased by approximately \$296 million during the three months ended December 31, 2010.

(\$ millions)	December 31, 2010	September 30, 2010	December 31, 2009
AUM	\$ 2,312	\$ 2,016	\$ 1,988

The increase in AUM in the quarter ended December 31, 2010 is principally due to Private Corporate Debt closing a new fund (IPD 3) in October 2010 with total commitments of \$275 million.

RESULTS OF OPERATIONS

EBITDA (defined on page 4) was \$1.7 million in the quarter ended December 31, 2010 compared with \$3.2 million for the three-month period ended December 31, 2009. Excluding the impact of net performance fees, EBITDA in the current quarter is relatively unchanged from the prior year's quarter.

The EBITDA of \$1.7 million in the quarter ended December 31, 2010 includes net performance fees of approximately \$1.7 million. Performance fees totalling \$3.0 million were earned in the quarter by Retail Alternative Investments and the managed futures operations.

The EBITDA of \$3.2 million in the quarter ended December 31, 2009 includes net performance fees of approximately \$3.2 million. Performance fees totaling \$4.7 million were recognized in the quarter comprising \$4.3 million from Real Estate Asset Management and \$0.4 million from Retail Alternative Investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

<i>Selected financial information</i>	Three-Month Period Ended December 31,	
	2010	2009
(in \$000s, except per share amounts)		
Revenues before performance fees	\$ 4,513	\$ 3,560
Performance fees	2,991	4,653
Total revenues	\$ 7,504	\$ 8,213
Net performance fees ⁽¹⁾	\$ 1,733	\$ 3,155
Reconciliation of EBITDA to Net Income and Comprehensive Income		
Earnings before interest, taxes, depreciation and amortization ("EBITDA") ⁽²⁾	\$ 1,737	\$ 3,191
Depreciation and amortization	(344)	(287)
Interest expense	(8)	(5)
Stock-based compensation	(24)	42
Investment gain (loss)	192	(44)
Income before income taxes and non-controlling interest	1,553	2,897
Income taxes	(128)	(749)
Non-controlling interest share of loss (income)	19	(561)
Net income and comprehensive income	\$ 1,444	\$ 1,587
Basic and diluted earnings per share	\$ 0.05	\$ 0.06

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

⁽²⁾ EBITDA is a non-GAAP financial measure used by the Corporation. This measure is calculated as earnings before non-controlling interest, interest expense, income taxes, depreciation and amortization, stock-based compensation and investment gains and losses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

REVENUES

In aggregate, revenues decreased from \$8.2 million in the previous fiscal year's first quarter to \$7.5 million in the quarter ended December 31, 2010 due to lower performance fees realized in the latest quarter.

Management fees, administration and redemption fees were \$4.1 million in the latest quarter, up from \$3.6 million in the comparable quarter of fiscal 2010. Management fees in Retail Alternative Investments increased as a result of the impact of the acquisition of Northern Rivers in February 2010 and increased AUM in the Exemplar Portfolio funds.

EXPENSES

The Corporation reported consolidated expenses of \$6.0 million for the quarter ended December 31, 2010 (quarter ended December 31, 2009: \$5.3 million). Included in the current year's quarter are \$1.3 million of expenses relating to performance fees revenue earned compared to \$1.5 million in the prior year's quarter. Excluding these expenses, the current year's quarter had consolidated expenses of \$4.7 million compared to \$3.8 million of consolidated expenses in the prior year's quarter. The increase is due to a combination of higher operating costs in Retail Alternative Investments (including service fees paid to dealers), expenses incurred in winding down the Corporation's resource asset management activities and start up costs related to a new asset management operation begun in fiscal 2010.

The income tax charge of approximately \$0.1 million on income before income taxes of \$1.6 million reflects the recognition of an accounting income tax benefit of the utilization of prior period losses incurred by Retail Alternative Investments and the managed futures operations.

The non-controlling interest share of income of approximately \$0.6 million in the prior year's quarter reflects the portion of performance fees realized by Real Estate Asset Management which was paid to its former non-controlling shareholder.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CONSOLIDATED FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2010, the Corporation's net liquid assets (excluding future income taxes) were \$8.2 million up from \$6.7 million at September 30, 2010.

The increase of approximately \$1.5 million in the Corporation's net liquid assets in the quarter is represented primarily by the cash flow from operations of \$1.5 million.

Cash flow from operations (which is a non-GAAP measure) was \$0.05 per share for the latest quarter and \$0.08 per share in the comparable quarter of fiscal 2010

(in \$000s, except per share amounts)	Three-Month Period Ended December 31,	
	2010	2009
Net cash used in operating activities ⁽¹⁾	\$ (4,507)	\$ (467)
Net change in non-cash balances relating to operations ⁽¹⁾	6,024	2,654
Cash flow from operations ⁽¹⁾	\$ 1,517	\$ 2,187
Cash flow from operations per share ⁽²⁾	\$ 0.05	\$ 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.

Cash and cash equivalents were \$4.0 million as at December 31, 2010. The Corporation's receivables of \$5.5 million include performance fees of \$3.0 million, all of which were received after the quarter end.

The future income tax liability of approximately \$1.7 million (including the current portion of \$0.5 million) is not a cash liability of the Corporation but is an accounting item resulting primarily from the accounting for the acquisitions made by the Corporation in prior fiscal years. The future income tax liability is derived from the setting up of fund management contracts as an asset on the balance sheet.

The Corporation has a single real estate investment acquired by the Corporation in fiscal 2003. The investment is not part of the Corporation's business activities and is included under Other Assets with a book value of approximately \$0.9 million. Certain steps were taken during fiscal 2009 to enhance the value of the property and this delayed the expected sale of the property. The Corporation listed the property for sale in the latter half of fiscal 2010 and expects to complete the sale of the property in Q3 of fiscal 2011. A gain is expected on the disposition of the property which will increase the Corporation's cash resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

In September 2010, the Corporation announced the reinstatement of a regular cash dividend of approximately \$1.1 million (\$0.04 per common share) which was paid in October 2010.

While Retail Alternative Investments still face challenges in building AUM back to the levels of fiscal 2007 and 2008, the Corporation is making progress in both its retail and institutional businesses.

OUTSTANDING SHARE DATA (as at January 31, 2011)

Common shares

Issued and outstanding	28,310,150
Stock options	2,557,857 ⁽¹⁾

⁽¹⁾ Stock options to acquire 2,557,857 common shares at prices ranging from \$0.70 to \$2.00 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 2010 Annual Report.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet financial arrangements and no material contractual obligations other than those described in the 2010 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, 2010. The 2010 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 Retail Alternative Investments are calculated and recognized periodically, typically on 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. Investments in funds managed by the Corporation are classified as either held for trading securities or available for sale securities that do not have a quoted market price in an active market.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Business Acquisitions

The allocation of the purchase price by the Corporation to the assets purchased and liabilities assumed 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.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are subject to impairment tests whereby significant judgement is required in the selection of methodology to estimate fair value, including the determination of the appropriate underlying assumptions. These subjective judgements will affect the estimates of the fair value of goodwill and other intangible assets and any associated impairment charges or write-downs that result from those estimates.

FUTURE ACCOUNTING CHANGES

The CICA Accounting Standards Board requires all Canadian publicly accountable enterprises to adopt International Financial Reporting Standards ("IFRS") for years beginning on or after January 1, 2011. The Corporation will adopt IFRS for the fiscal year 2012 starting October 1, 2011. The fiscal 2012 Consolidated Financial Statements will include comparative 2011 financial results under IFRS.

Although much of Canadian GAAP is similar to IFRS, there are some GAAP differences that may significantly impact the Corporation's processes and financial disclosures. The Corporation is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and training staff. Based on its review of IFRS to date and on the current operations of the Corporation, management does not expect that there will be any material effect on its financial results.

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, 2010		September 30, 2010		June 30, 2010		March 31, 2010	
Revenues before performance fees	\$	4,513	\$	5,599	\$	4,032	\$	3,599
Performance fees		2,991		13		15		88
Total revenues	\$	7,504	\$	5,612	\$	4,047	\$	3,687
Net performance fees	\$	1,733	\$	13	\$	8	\$	88
EBITDA	\$	1,737	\$	812	\$	424	\$	(68)
Income (loss) before income taxes and non-controlling interest	\$	1,553	\$	498	\$	(66)	\$	(412)
Net income (loss) and comprehensive income	\$	1,444	\$	220	\$	(277)	\$	(494)
Earnings (loss) per share	\$	0.05	\$	0.01	\$	(0.01)	\$	(0.02)

(in \$000s, except per share amounts)	December 31, 2009		September 30, 2009		June 30, 2009		March 31, 2009	
Revenues before performance fees	\$	3,560	\$	3,825	\$	4,188	\$	3,743
Performance fees		4,653		139		4		-
Total revenues	\$	8,213	\$	3,964	\$	4,192	\$	3,743
Net performance fees	\$	3,155	\$	114	\$	4	\$	-
EBITDA	\$	3,192	\$	(147)	\$	195	\$	(184)
Income (loss) before income taxes and non-controlling interest	\$	2,897	\$	(352)	\$	(144)	\$	(8,607)
Net income (loss) and comprehensive income	\$	1,587	\$	(455)	\$	(125)	\$	(6,398)
Earnings (loss) per share	\$	0.06	\$	(0.02)	\$	0.00	\$	(0.23)

**Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited**

	December 31 2010	September 30 2010
Assets		
Current		
Cash and cash equivalents	\$ 4,043,809	\$ 9,715,604
Receivables	5,459,187	2,277,584
Income taxes recoverable	244,640	223,922
Prepays	218,710	349,225
Investments in funds managed by the Corporation (Note 5)	2,860,260	2,694,580
Other assets (Note 6)	26,000	26,000
Future income taxes	184,369	42,369
	<u>13,036,975</u>	<u>15,329,284</u>
Property and equipment	529,560	556,341
Fund management contracts (Note 4)	6,075,591	6,375,340
Goodwill (Note 4)	1,578,471	1,578,471
Investments in funds managed by the Corporation (Note 5)	1,188,188	1,155,514
Other assets (Note 6)	2,730,025	2,712,594
Future income taxes	134,003	185,477
	<u>\$ 25,272,813</u>	<u>\$ 27,893,021</u>
Liabilities		
Current		
Payables and accruals	\$ 4,432,786	\$ 5,319,732
Deferred revenue	85,175	210,105
Dividends payable	-	1,132,406
Preferred shares of subsidiary	100,000	100,000
Income taxes payable	3,865	1,857,874
Future income taxes (Note 4)	568,446	349,485
	<u>5,190,272</u>	<u>8,969,602</u>
Tenant inducements and deferred revenue	338,619	339,744
Future income taxes (Note 4)	1,147,431	1,435,269
	<u>6,676,322</u>	<u>10,744,615</u>
Non-controlling interest	<u>670,645</u>	<u>689,686</u>
Shareholders' Equity		
Capital stock (Note 7)	20,109,870	20,109,870
Contributed surplus (Note 7)	926,167	902,342
Deficit	(3,110,191)	(4,553,492)
	<u>17,925,846</u>	<u>16,458,720</u>
	<u>\$ 25,272,813</u>	<u>\$ 27,893,021</u>

See accompanying notes to the consolidated financial statements.

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

For the three-month period ended December 31

2010 **2009**

Revenues

Management fees, administration and redemption fees	\$ 4,145,114	\$ 3,559,177
Performance fees	2,990,656	4,652,740
Interest and other income	175,695	45,765
Investment gain (loss)	191,691	(43,759)
	7,503,156	8,213,923

Expenses

Selling, general and administration	3,941,487	3,248,606
Stock-based compensation (Notes 3 and 7)	23,825	(41,886)
Investment adviser fees	91,353	114,153
Service fees paid to dealers	284,578	206,266
Investment adviser, service fees and expenses paid relating to performance fees revenue earned	1,257,404	1,497,643
Depreciation of property and equipment	41,771	44,328
Amortization of fund management contracts	301,931	242,507
Interest expense	8,190	5,674
	5,950,539	5,317,291

Income before income taxes and non-controlling interest

1,552,617 **2,896,632**

Income taxes (recovery)

Current	211,282	997,702
Future	(82,925)	(248,965)
	128,357	748,737

Income before non-controlling interest

1,424,260 **2,147,895**

Non-controlling interest share of loss (income)

19,041 **(561,468)**

Net income and comprehensive income

1,443,301 **1,586,427**

Basic and diluted earnings per share

\$ 0.05 **\$ 0.06**

Weighted average number of shares outstanding, basic and diluted

28,310,150 **28,310,150**

Retained earnings (deficit), beginning of period

\$ (4,553,492) **\$ (4,455,813)**

Net income

1,443,301 **1,586,427**

Retained earnings (deficit), end of period

\$ (3,110,191) **\$ (2,869,386)**

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

For the three-month period ended December 31	2010	2009
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net income	\$ 1,443,301	\$ 1,586,427
Add (subtract) non-cash items:		
Stock-based compensation (Notes 3 and 7)	23,825	(41,886)
Depreciation of property and equipment	41,771	44,328
Amortization of fund management contracts	301,931	242,507
Future income taxes recovery	(82,925)	(248,965)
Non-controlling interest share of income (loss)	(19,041)	561,468
Investment (gain) loss	(191,691)	43,759
	1,517,171	2,187,638
Net change in non-cash balances relating to operations	(6,023,721)	(2,654,247)
Cash used in operating activities	(4,506,550)	(466,609)
Financing activities		
Dividends paid to shareholders	(1,132,406)	-
Repayment of management loans	10,500	-
	(1,121,906)	-
Cash used in financing activities	(1,121,906)	-
Investing activities		
Investment in funds managed by the Corporation	-	(62,698)
Proceeds from funds managed by the Corporation	-	60,498
Purchase of property and equipment	(10,412)	(3,882)
Purchase of other assets	(32,927)	-
	(43,339)	(6,082)
Cash used in investing activities	(43,339)	(6,082)
Decrease in cash and cash equivalents	(5,671,795)	(472,691)
Cash and cash equivalents, beginning of period	9,715,604	6,285,244
Cash and cash equivalents, end of period	\$ 4,043,809	\$ 5,812,553
Supplemental disclosure from non-cash investment and financing activities		
Interest paid	\$ 8,190	\$ 5,674
Income taxes paid	\$ 2,317,000	\$ 1,097,137

See accompanying notes to the consolidated financial statements.

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

December 31, 2010

1. Organization

Integrated Asset Management Corp. (the "Corporation" or "IAM") is 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).

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.

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 generally accepted accounting principles ("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, 2010 as set out in the Corporation's 2010 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, 2010.

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

December 31, 2010

3. Stock-Based Compensation

The Corporation has established an incentive stock option plan for the executives, key employees, directors and consultants to the Corporation. As at December 31, 2010 there were 2,557,857 common shares (September 30, 2010 - 2,707,857 common shares) reserved for issuance on exercise of stock options.

These options expire in fiscal years 2011 through 2017 and may be exercised at prices ranging from \$0.70 to \$2.00 per common share with a total exercisable value of \$2,537,000 (September 30, 2010 - \$2,674,000).

Number of Options	Number of Options Vested	Exercise Price	Expiry Date
1,645,000	-	\$ 0.70	2017
17,857	17,857	\$ 1.40	2011
40,000	13,333	\$ 1.45	2014
815,000	271,667	\$ 1.50	2013
40,000	40,000	\$ 2.00	2011
<u>2,557,857</u>	<u>342,857</u>		

The changes in the stock options in the quarter ended December 31, 2010 are as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, September 30, 2010	2,707,857	\$ 0.99
Cancelled	(150,000)	0.91
Balance, December 31, 2010	<u>2,557,857</u>	<u>\$ 0.99</u>

4. Fund Management Contracts and Goodwill

Fund management contracts of \$6,075,591 (\$6,375,340 as at September 30, 2010) are contracts between the Corporation and the funds acquired by the Corporation which set out the management services to be provided by the Corporation to those funds and the fees payable to the Corporation for those services.

For accounting purposes, at the time the fund management contracts were set up as an asset on the balance sheet, an associated future income tax liability was also recorded. Both the fund management contracts asset and the related future income tax liability (\$1,493,125 as at December 31, 2010) are being amortized over 7 years.

Goodwill of \$1,578,471 (\$1,578,471 as at September 30, 2010) is comprised of the excess of the purchase price over the amounts assigned to the assets acquired and liabilities assumed at the time of purchase of the Real Estate Asset Management and Private Corporate Debt operations.

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

December 31, 2010

5. Investments in Funds Managed by the Corporation

	December 31 2010	September 30 2010
Held for trading securities, positions held long	\$ 3,196,527	\$ 2,997,702
Available for sale securities, positions held long	851,921	852,392
	4,048,448	3,850,094
Less amount included in current assets	(2,860,260)	(2,694,580)
	\$ 1,188,188	\$ 1,155,514

6. Other Assets

	December 31 2010	September 30 2010
Management loans (a)	\$ 74,167	\$ 84,667
Receivable from fund managed by the Corporation (b)	1,742,268	1,742,268
Other (c)	939,590	911,659
	2,756,025	2,738,594
Less amount of management loans included in current assets	(26,000)	(26,000)
	\$ 2,730,025	\$ 2,712,594

(a) Each of the management loans is secured against the shares of the Corporation acquired by the employee under the loan agreement and other security posted by the employee. The loans are repayable over the next year.

(b) The receivable is in respect of management fees charged by the Corporation to a fund managed by the Corporation. The amount receivable will be received when the fund's investments are monetized.

(c) Included in Other is an investment of approximately \$919,090 in real estate held in a company in which the Corporation and other related parties to the Corporation are shareholders.

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

December 31, 2010

7. Capital Stock

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, 2010	28,310,150	\$ 20,109,870	\$	902,342
Stock-based compensation (Note 3)	-	-		23,825
Balance, December 31, 2010	28,310,150	\$ 20,109,870	\$	926,167

The amount of \$23,825 credited to Contributed Surplus represents the stock-based compensation expense for stock options previously granted by the Corporation as shown on the Consolidated Statement of Operations.

The Corporation had no net Other Comprehensive Income for the quarter ended December 31, 2010 and the Corporation does not have any Accumulated Other Comprehensive Income as at December 31, 2010.

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

December 31, 2010

8. Financial Instruments

The Corporation's business is alternative asset management. The key performance driver of the Corporation's future results is expected to be the level of assets and committed capital under management ("AUM"). The level of AUM is directly correlated to investment returns, the successful launch of new investment initiatives, retention and hiring of key personnel and the Corporation's ability to retain existing AUM.

Risk management is the responsibility of the Executives of the Corporation which includes the Chief Executive Officer, Chief Financial Officer, President, Executive Vice-President and each investment team's President. Oversight of reputational, regulatory, legal and financial risk is within the mandate of the Executives. The Chief Executive Officer reports to the Board of Directors for all of the Corporation's risk-taking activities.

Financial instruments are classified based on categories according to CICA Handbook Section 3855 Financial Instruments - Recognition and Measurement as follows:

As at December 31, 2010	Available for Sale	Held for Trading	Loans and Receivables or Other Financial Liabilities
Cash and cash equivalents	\$ -	\$ 4,043,809	\$ -
Receivables	-	-	5,459,187
Investments in funds managed by the Corporation	851,921	3,196,527	-
Other assets	-	-	1,869,862
Total financial assets	\$ 851,921	\$ 7,240,336	\$ 7,329,049
Payables and accruals	\$ -	\$ -	\$ 4,432,786
Preferred shares of subsidiary	-	-	100,000
Total financial liabilities	\$ -	\$ -	\$ 4,532,786

As at September 30, 2010	Available for Sale	Held for Trading	Loans and Receivables or Other Financial Liabilities
Cash and cash equivalents	\$ -	\$ 9,715,604	\$ -
Receivables	-	-	2,277,584
Investments in funds managed by the Corporation	852,392	2,997,702	-
Other assets	-	-	1,852,431
Total financial assets	\$ 852,392	\$ 12,713,306	\$ 4,130,015
Payables and accruals	\$ -	\$ -	\$ 5,319,732
Preferred shares of subsidiary	-	-	100,000
Total financial liabilities	\$ -	\$ -	\$ 5,419,732

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

December 31, 2010

8. Financial Instruments (continued)

Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded.

The Corporation's only financial instruments affected by market risk are its investments in funds managed by the Corporation, which consist of capital the Corporation invests in new products to facilitate their successful introduction into the marketplace.

Products currently consist of funds in the retail alternative investments market, including a portion for which the underlying securities are non-Canadian, an allocation to a managed futures fund managed by the Corporation and common shares of a publicly-listed Canadian company. Consequently, the Corporation is impacted by both the changing value of the securities in the market, as well as changes in the relative value of foreign currencies. There may be some liquidity risk depending on the underlying securities in the funds, however, this is mitigated through the diversification of the funds' portfolios, regulatory restrictions on investing in illiquid securities and ensuring securities acquired are sufficiently liquid in nature. The Corporation believes that it is not practical or cost effective to hedge these risks; rather, it seeks to minimize risk by limiting the amount of capital allocated to new product introduction to amounts which should not adversely impact the financial strength and capacity of the Corporation and also to limit the time that the capital is at risk.

Based on the carrying value of the investments in funds managed by the Corporation at December 31, 2010, the effect of a 10% increase or decline in the value of investments would result in approximately a \$0.3 million (\$0.3 million as at September 30, 2010) unrealized gain or loss on the Corporation's Consolidated Statement of Operations.

The investment in the private equity fund is excluded from this analysis as it is classified as an available for sale security that does not have a quoted market price in an active market. This security is difficult to value due to the inherent difficulty in valuing private companies and as a result is measured at cost, net of any impairment in value.

The Corporation holds approximately US \$0.1 million in cash and cash equivalents as at December 31, 2010. Accordingly, the Corporation would not be materially impacted if the US dollar strengthened or weakened against the Canadian dollar.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Corporation is exposed to credit risk principally on its receivables which have normal thirty day terms. No allowance for bad debts has been recorded.

Approximately 20% of the Corporation's receivables at December 31, 2010 are due within thirty days. Approximately \$1.7 million of receivables have been classified as long term, of which \$1.3 million are over one year old.

Cash and cash equivalents of the Corporation are held at Schedule 1 banks.

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

December 31, 2010

8. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Corporation has contractual obligations and financial liabilities and therefore is exposed to liquidity risk. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. The Corporation monitors its current and expected cash flow requirements to ensure it has sufficient cash and cash equivalents to meet its liquidity requirements for both short and longer terms. To manage cash flow requirements, the Corporation maintains a sizable cash balance held at Schedule 1 banks. The Corporation does not hold any asset-backed commercial paper. The Corporation has no outstanding borrowings at December 31, 2010 and all payables, preferred shares of subsidiary and accrued liabilities are due within one year.

Fair Value Hierarchy

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. There were no transfers between levels during the year.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The following tables illustrate the classification of the Corporation's financial instruments within the fair value hierarchy as at December 31, 2010:

	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 3,103,952	\$ 92,575	-	\$ 3,196,527
Total	\$ 3,013,952	\$ 92,575	-	\$ 3,196,527

Marketable Securities

The Corporation's marketable securities are classified as Level 1 when they are actively traded and reliable quotes are available. Marketable securities consist of investments in funds managed by the Corporation (held for trading securities) and common shares of a publicly - listed Canadian company. Investments in funds managed by the Corporation (available for sale securities) are carried at cost with no fair value adjustments and therefore are not included in the table above.

9. Independent Review

The quarterly consolidated financial statements have not been reviewed by the Corporation's external auditors.

Integrated Asset Management Corp.
Board of Directors

December 31, 2010

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

David Atkins ⁽¹⁾ ⁽²⁾
Chairman, Nightingale Informatix Corporation

Joseph Benarrosh
Directeur, Quebec
Integrated Asset Management Corp.

Brent Chapman
President and Chief Executive Officer, GPM

Bruce Day ⁽¹⁾ ⁽²⁾
Corporate Director

Veronika Hirsch
Chief Investment Officer, BluMont Capital Corporation

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.

John Robertson
President and Chief Operating Officer,
Integrated Asset Management 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, 2010

**Integrated Asset
Management Corp.**

Victor Koloshuk
*Chairman and Chief
Executive Officer*

John Robertson
*President and Chief
Operating Officer*

Stephen Johnson
Chief Financial Officer

David Mather
Executive Vice President

Paul Patterson
*Vice President
Private Investment*

Tom Felkai
Corporate Controller

Quebec Representative

Joseph Benarosh
Directeur, Quebec

Integrated Partners

Victor Koloshuk
Chairman

Stephen Johnson
Senior Vice President

GPM

Brent Chapman
*President and Chief
Executive Officer*

Robert Burns
Chief Financial Officer

David Warkentin
*Senior Vice President
Investments*

Rick Zagrodny
*Senior Vice President
Asset Management*

GPM

David Becket
*Vice President
Asset Management*

Frank Bartello
*Vice President
Acquisitions*

GPH

Robert Hamilton
President

Integrated Private Debt Corp.

John Robertson
*President and Chief
Executive Officer*

Donald Bangay
Chief Investment Officer

Frank Duffy
Managing Director

Michael LeClair
Managing Director

Dennis McCluskey
Chief Risk Officer

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

BluMont Capital.

Victor Koloshuk
Chairman

James Wanstall
Chief Executive Officer

Veronika Hirsch
Chief Investment Officer

Hugh Cleland
*Executive Vice President
and Portfolio Manager*

Alex Ruus
*Executive Vice President
and Portfolio Manager*

Stephen Johnson
Chief Financial Officer

Richard Goode
*Senior Vice President
National Sales*

Lisa Christie
*Vice President
Fund Operations*

**River Plate House
Capital Management Inc.**

Michael Hyman
*President, Chief Executive
Officer and Chief
Investment Officer*

Julian Smith
*Executive Vice President
and Chief Operating Officer*

Integrated Asset Management Corp.
Corporate Information

December 31, 2010

Auditors:

PricewaterhouseCoopers LLP

Transfer Agent:

Equity Transfer & Trust Company

Stock Listing:

TSX - "IAM"

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