

**Form 45-106F1**  
***Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

**Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.**

ILI Technologies (2002) Corp. (the "Issuer" or the "Corporation")  
#110W, 4760, 72 Avenue SE  
Calgary, Alberta T2C 3Z2  
Phone: (403) 543-0060  
Fax: (403) 543-0069

**Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.**

The Corporation is a reporting issuer in Alberta and British Columbia.

**Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.**

- |   |  |
|---|--|
| <input type="checkbox"/> Bio-tech                       | Mining   |
| Financial Services                                      | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production              |
| <input type="checkbox"/> mortgage investment companies  | <input type="checkbox"/> Oil and gas             |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate             |
| <input type="checkbox"/> Hi-tech                        | <input type="checkbox"/> Utilities               |
| <input checked="" type="checkbox"/> Industrial          | <input type="checkbox"/> Other (describe)        |
-

## Details of distribution

**Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.**

**Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.**

February 18, 2011

**Item 6: For each security distributed:**

(a) **describe the type of security:** Units of the Corporation, each "Unit" consists of one common share of the Corporation (the "Common Shares") and one-half of one share purchase warrant (the "Warrant"), at a price of \$0.15 per Unit

(b) **state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date;**

An aggregate of 20,000,000 Common Shares and 10,000,000 Warrants comprising the Units were issued. Each whole Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.25 for a period of 2 years, provided, however, that in the event the closing price of the Common Shares is not less than \$0.40 for a period of ten consecutive trading days, the expiry date of the Warrants will be accelerated to 30 days after the Corporation issues a press release announcing the acceleration of the expiry date.

(c) **state the exemption(s) relied on.** NI 45-106, section 2.3 and 2.5

**Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.**

	Number of purchasers	Price per Security (Cdn \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	47	\$0.15 per Unit	\$1,456,050
British Columbia	15	\$0.15 per Unit	\$ 706,500
Saskatchewan	2	\$0.15 per Unit	\$ 30,000
Ontario	6	\$0.15 per Unit	\$ 750,450
Outside North America	1	\$0.15 per Unit	\$ 57,000
<b>Total number of Purchasers</b>	71		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			\$3,000,000

**Note 1:** If securities are issued at different prices list the highest and lowest price the securities were sold for.

### Commissions and finder's fees

**Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.**

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Raymond James Ltd. #400, 925 West Georgia St Vancouver, B.C. V6C 3L2	\$11,160	74,400 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$11,160
Wolverton Securities Ltd. 17 <sup>th</sup> Floor, 777 Dunsmuir St Vancouver, B.C. V7Y 1J5	\$83,040	533,600 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$83,040
Investor Company 77 Bloor Street West, 2 <sup>nd</sup> Fl Toronto, Ontario M5S 1M2	\$19,800	132,000 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$19,800
BMO Nesbitt Burns 50 <sup>th</sup> Floor, First Canadian Place Toronto, Ontario M5X 1H3	\$8,400	56,000 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$8,400
RBC Dominion Securities 700, 335 – 8 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 1C9	\$7,992	53,280 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$7,992
Scotia Capital 40 King Street W sub basement Toronto, Ont M5W 2X6	\$26,040	173,600 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$26,040
Haywood Securities Inc. 700, 200 Burrard Street Vancouver, BC V6C 3L6	\$42,168	281,120 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$42,168
AVW Contracting Ltd. 604 – 1 <sup>st</sup> Street S.W. Calgary, Alberta T2P 1M7	Nil	1,417,600 Warrants*	\$0.15 per Unit	NI 45-106 Section 2.3	\$Nil
Ardent Capital Leasing Ltd. 604 – 1 <sup>st</sup> Street S.W. Calgary, Alberta T2P 1M7	\$212,640	N/A			\$212,640

**If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.**

\* Each Warrant entitles the holder to purchase one (1) Unit at a price of \$0.15 per Unit for a period of 2 years.

**Item 9: If a distribution is made in Ontario, please include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission.**

### **Certificate**

On behalf of the issuer, I certify that the statements made in this report are true.

Date: February 25, 2011

ILI TECHNOLOGIES (2002) CORP.

Name of issuer (please print)

Gordon Travis, CFO - Telephone: (403) 543-0060

Print name, title and telephone number of person signing

*“Gordon Travis”*

Signature

**Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.**

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

**Notice - Collection and use of personal information**

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

**Authorization of Indirect Collection of Personal Information for Distributions in Ontario**

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) has been notified by the issuer
  - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
  - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
  - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
  - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.

## Schedule I

Complete the following table.

For reports filed under sub-section 6.1(1)(j) (TSX Venture Exchange offering) of National Instrument 45-106 the following table only needs to list the total number of purchasers by jurisdiction instead of including the name, residential address and telephone number of each purchaser.

Do not include in this table, securities issued as payment of commissions or finder's fees disclosed under item 8 of this report.

**The information in this schedule will not be placed on the public file of any securities regulatory authority or, where applicable, regulator.** However, freedom of information legislation in certain jurisdictions may require the securities regulatory authority or, where applicable, regulator to make this information available if requested.

Full name, residential address and telephone number of purchaser	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution
<b>SEE SCHEDULE A ATTACHED</b>				

### Instructions:

1. File this report and the applicable fee in each jurisdiction in which a distribution is made at the addresses listed at the end of this report. If the distribution is made in more than one jurisdiction, the issuer may complete a single report identifying all purchasers and file that report in each of the jurisdictions in which the distribution is made. Filing fees associated with the filing of the report are not affected by identifying all purchasers in a single report.
2. If the space provided for any answer is insufficient, additional sheets may be used and must be cross-referenced to the relevant part and properly identified and signed by the person whose signature appears on the report.
3. One report may be used for multiple distributions occurring within 10 days of each other provided that the report is filed on or before the 10<sup>th</sup> day following the first of such distributions.
4. In order to determine the applicable fee, consult the securities legislation of each jurisdiction in which a distribution is made.