

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 "Corporation")
#110W, 4760 72 Avenue S.E.
Calgary, Alberta T2C 3Z2
Tel: (403) 543-0060

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 the provinces of 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 |
| <input type="checkbox"/> 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.

December 20, 2010 and January 17, 2011

Item 6: For each security distributed:

- (a) describe the type of security,

common shares

- (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; and

6,200,000 shares

- (c) state the exemption(s) relied on under NI 45-106 Prospectus and Registration Exemptions.

s. 2.3 – Accredited Investor

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.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	3	\$0.10	\$255,036.00
British Columbia	8	\$0.10	\$364,964.00
Total number of Purchasers	11		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$620,000.00

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.

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.

Full name and address of the person being compensated		Compensation paid or to be paid (cash and/or securities)		
		Cash (Canadian \$)	Securities ⁽¹⁾	Total dollar value of compensation (Canadian \$)
1.	Raymond James Ltd. 400 - 925 West Georgia Street Vancouver, British Columbia V6C 3L2	\$8,400.00	84,000 warrants	\$8,400.00
2.	Ardent Capital Leasing Inc. 604 – 1 st Street S.W. Calgary, Alberta T2P 1M7	\$14,400.00	- Nil -	\$14,400.00
3.	AVW Contracting Ltd. 604 – 1 st Street S.W. Calgary, Alberta T2P 1M7		144,000 warrants	
Total:		\$22,800.00	228,000	\$22,800.00

Note:

- (1) Each warrant entitles the holder to acquire one (1) share at a purchase price of \$0.10 for a period of three (3) 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 Corporation, I certify that the statements made in this report are true.

Date: January 20, 2011

ILI TECHNOLOGIES (2002) CORP.

Name of issuer (please print)

Phil D'Angelo, President and Director - (403) 543-0060

Print name, title and telephone number of person signing

A handwritten signature in black ink, appearing to read "P. D'Angelo", is written over a light gray rectangular background.

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.