

**Form 45-103F4
Report of Exempt Distribution**

Issuer information

1. State the full name, address and telephone number of the issuer of the security distributed. Include former name if name has changed since last report. If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor.

ILI Technologies (2002) Corp.
101, 30 Glendee Circle, SE
Calgary, Alberta, T2H 2Z7
(403) 543-0060

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

ILI Technologies (2002) Corp. is a reporting issuer in the Provinces of Alberta and British Columbia

Details of distribution

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

February 5th, 2004

4. For each security distributed:

1. describe the type of security, and

Units consisting of 1 common share and 1/2 of a common share purchase warrant at a price of \$0.55 per Unit.

2. 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.

2,750,000 Units, with each Unit consisting of 1 common share and 1/2 of a common share purchase warrant (the "Warrants"). Each whole Warrant allows the holder thereof to purchase 1 common share at a price of \$0.70 per common share for a period of 12 months from the date of issuance.

5. Provide details of the distribution by completing the attached schedule.

See the Schedule attached hereto.

6. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Provide a total dollar value of all securities distributed in all jurisdictions. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 7, below.

Each jurisdiction where purchasers reside	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	\$0.55	\$448,800.00
Alberta	\$0.55	\$1,063,700.00
Total dollar value of distribution in all jurisdictions (Canadian \$)	\$0.55	\$1,512,500.00

Commissions and finder's fees

7. Provide the following information for each person who is being compensated in connection with the distribution(s). When disclosing compensation paid or to be paid, include discounts, commissions or other fees or payments of a similar nature directly related to the distribution. Do not include payments for services incidental to the trade, such as clerical, printing, legal or accounting services.

Full name and address of person being compensated	Compensation paid (in Canadian \$ and, if applicable, number and type of securities)	Exemption relied on and date of distribution (if applicable)	Price per share (Canadian \$)
First Associates Investments Inc. 2200, 400 - 2 Ave. SW Calgary, Alberta, T2P 5E9	\$151,250.00 as a cash commission and an agents option to purchase 236,750 Units at a price of \$0.55 per Unit for a period of 24 months from February 5 th , 2004	MI 45-103 Part 5	\$0.55
Wolverton Securities Ltd. Suite 1700, 777 Dunsmuir Street, Vancouver, BC, V7Y 1J5	An agents option to purchase 4,500 Units at a price of \$0.55 per Unit for a period of 24 months from February 5 th , 2004	MI 45-103 Part 5	\$0.55
Canaccord Capital Corporation 320 Bay St, Suite 1210, Toronto, Ontario, M5H 4A6	An agents option to purchase 22,500 Units at a price of \$0.55 per Unit for a period of 24 months from February 5 th , 2004	MI 45-103 Part 5	\$0.55
Golden Capital Securities Ltd. 1177 Hastings St W Suite 168, Vancouver, BC, V6E 2K3	An agents option to purchase 11,250 Units at a price of \$0.55 per Unit for a period of 24 months from February 5 th , 2004	MI 45-103 Part 5	\$0.55

Certificate

On behalf of the issuer (or vendor), I certify that the statements made in this report and in each schedule to this report are true.

Date: February 9th, 2004

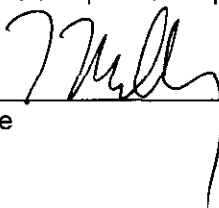
ILI Technologies (2002) Corp.

Name of issuer or vendor (please print)

Thomas Milley, Director

Print name and position of person signing

Signature

A handwritten signature in black ink, appearing to read 'T Milley', is written over a horizontal line. The signature is stylized with a large initial 'T' and a cursive 'Milley'.