

**EARLY WARNING REPORT
PURSUANT TO
NATIONAL INSTRUMENT 62-103**

1. The name and address of the offeror:

Mr. Thomas Dea
2 Bloor Street East, Suite 810
Toronto, ON M4W 1A8

2. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances:

Mr. Dea acquired direct ownership of an additional 1,257,000 common shares ("Common Shares") of Global Railway Industries Ltd., representing approximately 8.24% of the outstanding Common Shares.

3. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the report:

After giving effect to the transactions, Mr. Dea and his joint actors may be considered to own an aggregate of 3,924,300 Common Shares, representing approximately 25.74% of the outstanding Common Shares.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(a) the offeror, either alone or together with any joint actors, has ownership and control;

Mr. Dea, together with his joint actors, has ownership and control over of 3,924,300 Common Shares, representing approximately 25.74% of the outstanding Common Shares.

(b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor; and

Not applicable.

- (c) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership;**

Not applicable.

- 5. The name of the market in which the transaction or occurrence that gave rise to this report took place:**

Not applicable.

- 6. The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file the report:**

Cdn.\$0.50 per Common Share.

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to this report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Common Shares were acquired for investment purposes. Mr. Dea and his joint actors have no current intention to acquire additional Common Shares; however, Mr. Dea and his joint actors may from time to time and at any time, in their sole discretion, acquire or cause to be acquired, or dispose of or cause to be disposed, Common Shares, in any amount that Mr. Dea or such joint actors may determine in their sole discretion, through open market transactions, privately negotiated transactions or otherwise.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to this report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

- 9. The names of any joint actors in connection with the disclosure required by this report:**

Not applicable.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars of the consideration paid by the offeror:**

The Common Shares giving rise to this report were purchased under private agreements for consideration of \$0.50 per Common Share.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:**

Not applicable.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:**

The 1,257,000 Common Shares giving rise to this report were purchased from two vendors in reliance on the private agreement exemption provided under section 100.1 of the *Securities Act* (Ontario). The offer was not made generally to security holders of the issuer and the consideration paid, including brokerage fees and commissions, was less than 115% of the market price of the Shares determined in accordance with OSC Rule 62-504 *Take Over Bids and Issuer Bids*.

DATED December 9, 2011.

(signed) *Thomas Dea*

Thomas Dea