



GLOBAL RAILWAY INDUSTRIES LTD.

**NOTICE AND
INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

to be held at

The Montreal Airport Marriott Hotel

800 Place Leigh Capreol
Dorval, Quebec
H4Y 0A4

on

**June 8, 2012
at 10:00 A.M. (ET)**

GLOBAL RAILWAY INDUSTRIES LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 8, 2012

The annual general meeting ("Meeting") of the shareholders of Global Railway Industries Ltd. will be held at The Montreal Airport Marriott Hotel, 800 Place Leigh Capreol, Dorval, Quebec, H4Y 0A4, in the Turquoise room (located on the Main Level) on Friday, June 8, 2012 at 10:00 A.M. (ET) in order to:

1. consider financial statements for the fiscal year ended December 31, 2011;
2. elect the nominated Directors;
3. appoint the auditors and authorize the board of directors to fix the remuneration to be paid to the auditors; and
4. transact such other business as may properly be brought before the meeting or any adjournment.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular dated May 2, 2012 accompanying this notice.

Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and mail it to, or deposit it with, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, the forms of proxy must be received not less than 48 hours before the time for holding the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof.

Non-registered shareholders who receive these materials through their broker or other intermediary are not entitled to vote their shares in person at the Meeting unless they appoint themselves as proxyholder in accordance with the instructions in the enclosed form of proxy or voting instruction form. Accordingly, non-registered shareholders are encouraged to complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary regardless of whether they plan to attend the meeting.

Only shareholders of record at the close of business on May 4, 2012 will be entitled to receive notice of and to vote at the Meeting, unless that shareholder has transferred any of their shares subsequent to that date, and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders.

DATED at Toronto, Ontario, this 2th day of May, 2012.

By order of the Board of Directors.

"signed"

Thomas Dea

Chairman of the Board

GLOBAL RAILWAY INDUSTRIES LTD.

("Global" or the "Company")

Management Information Circular for the Annual General Meeting of Shareholders to be held on June 8, 2012

Dated May 2, 2012

PROXIES

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies for use at the annual general meeting of shareholders (the "Meeting") to be held at The Montreal Airport Marriott Hotel, 800 Place Leigh Capreol, Dorval, Quebec, H4Y 0A4, at 10:00 A.M. (ET) on Friday, June 8, 2011. Forms of proxy must be deposited with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof. Only holders of common shares (the "shareholders") of record at the close of business on May 4, 2012 will be entitled to receive notice of, and to vote at, the Meeting, unless that shareholder has transferred any of their shares subsequent to that date, and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

The form appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE OFFICERS OR DIRECTORS OF THE COMPANY. AS A SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO REPRESENT YOU AT THE MEETING. TO EXERCISE THIS RIGHT YOU SHOULD INSERT THE NAME OF YOUR REPRESENTATIVE IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.

Voting of Shares - Advice to Non-Registered Shareholders

The information set forth in this section is of significant importance to you if you do not hold your shares in your own name. Only proxies deposited by shareholders whose names appear on the records as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name. Such shares will likely be registered

under the name of your broker. Without specific instructions, your broker is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Each broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions Canada ("BICS"). BICS mails a Voting Instruction Form ("VIF") instead of the form of proxy. You are asked to complete and return the VIF to them by mail or facsimile. Alternately, you can call their toll-free telephone number or use their internet voting procedure to vote your shares. If you receive a VIF from BICS, it cannot be used as a proxy to vote shares directly at the Meeting as the VIF must be returned to BICS in advance of the Meeting in order to have the shares voted.

Revocability of Proxy

If you are a registered shareholder who has given a proxy, you may revoke it by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation. To be effective, the instrument in writing must be deposited either at the Company's head office, or with Computershare Investor Services, at any time up to and including the last business day before the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of, and prior to the start of, the Meeting, or any adjournment thereof.

Only registered shareholders of the Company have the right to revoke a proxy. If you are a non-registered shareholder and wish to change your vote or proxy nominee, you must arrange for the intermediary or broker in whose name your common shares are registered to revoke the proxy on your behalf in accordance with the instructions of such intermediary set out in the form of proxy or VIF you received with this Information Circular. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above.

Persons Making the Solicitation

This solicitation is made on behalf of Management. The Company will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the directors, officers and employees who will not be remunerated for their services.

Exercise of Discretion by Proxy

Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on any poll in accordance with the specification. **If you do not provide instructions, your shares will be voted in favour of the matters as set out in the form of proxy.** The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of the matters specified and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing of this management information circular, Management is not aware of any amendments or variations.

Request for Financial Statements

National Instrument 51-102 *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions to the Company in any other written format.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred redeemable shares, issuable in series. As at May 4, 2012, the record date for voting at the Meeting, there were 15,264,065 common shares, and no preferred redeemable shares, issued and outstanding. As a shareholder, you are entitled to one vote for each share you own. A quorum for the transaction of business at the Meeting is shareholders representing 5% of the issued shares entitled to vote at the Meeting being present in person or by proxy, irrespective of the number of persons actually present.

As of the date hereof, Mr Thomas Dea, Chairman of the Board of Directors, beneficially owns or may be considered to exercise control or direction over 3,924,300 common shares, representing approximately 25.7% of the outstanding common shares. To the best of the knowledge of the directors and senior officers of the Company, no other person, corporation or other entity (other than securities depositories) beneficially owns, directly or indirectly, or exercises control or discretion over voting securities carrying more than 10% of the voting rights attached to the common shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements & Auditors' Report

The financial statements of the Company for the financial year ended December 31, 2011 and the auditors' report thereon, which were previously sent to the shareholders, will be given consideration at the Meeting. No vote by the shareholders with respect to this matter will be required.

Election of Directors

It is proposed that four directors will be elected, to hold office until the next annual meeting or until successors are elected or appointed. There are currently four directors, each of whom will retire from office at the close of the Meeting unless re-elected at the Meeting. Unless otherwise directed, it is the intention of Management to vote proxies in favour of the nominees.

In the event that a vacancy occurs because of death, or for any reason, prior to the Meeting, the proxy shall not be voted with respect to the filling of the vacancy.

The following individuals are the nominees proposed for election to the Board:

Name and residence	Voting shares	Offices held and time as director	Principal occupation
Thomas Dea ⁽¹⁾ Ontario, Canada	3,924,300 ⁽²⁾	Chairman of the Board. Director since May 2009.	Partner at West Face Capital Inc.
Laurie Bennett, CA ⁽¹⁾ Ontario, Canada	Nil	Director since May 2009.	Retired Chartered Accountant
Jacques Coté ⁽¹⁾ Quebec, Canada	Nil	Director since May 2009.	Retired railroad executive.
Alan Sellery Ontario, Canada	Nil	Director since May 2009.	Partner at Ironbridge Equity Partners Limited.

The information as to voting securities beneficially owned, directly or indirectly, or controlled or directed, is based upon information furnished by the nominees.

Note:

(1) Member of the Audit Committee

(2) Mr. Dea beneficially owns 2,135,668 common shares. Two individuals who may be considered joint actors with Mr. Dea collectively own an additional 1,788,632 common shares.

During the past five years, all of the directors whose names appear above have held the positions shown or held management responsibilities in the same or related companies.

None of the proposed directors:

- a) is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - i. was the subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
 - ii. was the subject to an order that was issued after the proposed director ceased to a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

- b) is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, or has within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation

relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

It is the intention of the Management designees, if named as proxy, to vote in favour of the election of the nominees to the board of directors unless otherwise directed.

Appointment of Auditors

Management is proposing that the shareholders re-appoint the firm of KPMG LLP, Chartered Accountants, as the auditors of the Company, to hold office until the next annual meeting of shareholders or until their successor is appointed, and authorize the directors to fix their remuneration. KPMG LLP has been the auditors of the Company since December 2003.

It is the intention of the Management designees, if named as proxy, to vote in favour of the appointment of KPMG LLP, Chartered Accountants, as the auditors for the ensuing year and to authorize the board of directors to fix their remuneration unless otherwise directed.

Other Matters

The Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, however, the proxies will be voted on such matter in accordance with the best judgment of the person or persons voting the proxies.

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

Compensation Discussion and Analysis

The Board of Directors is responsible for reviewing and approving the Company's employee and executive compensation policies and practices, incentive compensation plans (cash and equity-based incentive plans), the amount and form of compensation of the executive officers of the Company, and all appointments of employees as executive officers. None of the members of the Board of Directors has ever been indebted to the Company. In addition, no executive officer of the Company has served on the Board of Directors of any other entity that has had one or more of the executive officers of such entity serve as a member the Company's Board of Directors or Compensation Committee.

Prior to the sale of its remaining operating subsidiary, CAD Railway Industries Ltd. ("CADRI"), in September 2011, the Company's overall policy regarding compensation of the Company's executive officers was structured to provide competitive salary levels and compensation incentives that supported both the short-term and long-term goals of the Company, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive. The Company aimed to place its executive compensation within the middle range of compensation levels among leading Canadian and United States railway supply companies of similar size and complexity.

The compensation program consisted of i) base salary, ii) annual performance incentives and iii) stock options. The Company ceased issuing stock options upon the commencement of its strategic review in 2009.

The Company ceased to have any employees following completion of the CADRI sale. On September 23, 2011, the closing date of the CADRI sale, the Company entered into a services agreement with FTM Capital Inc., Fausto Levy, the Company's President & Chief Executive Officer, and Ross Corcoran, the Company's Vice President & Chief Financial Officer (for the purposes of the services agreement, Messrs. Levy and Corcoran are referred to as the "Designated Executives").

FTM Capital Inc. is a company controlled by Mr. Levy and is an affiliate of the acquirer of CADRI. The address of FTM Capital Inc. is 152 Notre-Dame East, Suite 500, Montreal, Quebec, H2Y 3P6. Both of the Designated Executives reside in the Province of Quebec.

Pursuant to the services agreement, FTM Capital Inc. provides, through the Designated Executives, the following administrative services to the Company:

- Monitor compliance with the Company's obligations under the July 14, 2010 asset and share purchase agreement with Wabtec Corporation and the escrow agreement entered into in connection therewith and co-ordinate with Global's legal counsel in the event of any escrow claim under such agreements.
- Prepare and file with appropriate governmental authority all tax returns required to be filed by Global and its subsidiaries.
- Remit all taxes required to be remitted by Global in accordance with applicable statutes, all outstanding Canada Pension Plan contributions and employment insurance premiums, and assist in obtaining clearance certificates from all governmental bodies, including Canada Revenue Agency.
- Prepare and (on approval of by the Board of Directors) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by Global.
- Maintain the continuous disclosure requirements applicable to Global under all applicable securities laws.
- Maintain a listing for the common shares of Global to the extent determined appropriate by Global Board.
- Assist in the liquidation and dissolution of Global and each of its remaining subsidiaries, or assisting any liquidator in respect thereof to the extent determined appropriate by the Board of Directors.
- Report to the Board of Directors in respect of the foregoing.

In consideration of the foregoing services, FTM Capital Inc. is entitled to a monthly work fee from the Company of \$15,000 during the term of the services agreement. The Designated

Executives are not entitled to any other compensation from Global for serving as President & Chief Executive Officer and Vice President & Chief Financial Officer, respectively.

The Company agreed to indemnify FTM Capital Inc. and the Designated Executives from and against all liabilities arising from the services provided under the services agreement, other than liabilities arising as a result of their fraud, gross negligence or wilful misconduct. The Company is also required to maintain directors' and officers' insurance for the benefit of Designated Executives.

The services agreement will be effective until the completion of the previously announced winding up of the Company, provided that the Company may terminate the services agreement without penalty on 30 days prior written notice and FTM Capital Inc. may terminate the services agreement without penalty effective immediately on written notice if the obligations under the services agreement become incompatible with Mr. Levy's fiduciary duties as an officer of CADRI. The provision of the services agreement was requested by the Board of Directors to facilitate the post-closing administration and wind up of the Company on a cost-effective basis. Given the limited nature of the Company's ongoing activities, the Board of Directors considers the compensation payable under the services agreement to be reasonable in the circumstances and has not identified any risks arising from the compensation practices of the Company that are likely to have a material adverse effect on the Company.

Compensation of Named Executive Officers

The following table sets forth all compensation earned for the three most recently completed financial years by Fausto Levy, President & Chief Executive Officer; Ross Corcoran, Vice President & Chief Financial Officer; and Pierre Tremblay, the former Senior Vice President, Operations (collectively, the "Named Executive Officers" or "NEOs").

SUMMARY COMPENSATION TABLE:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Options-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Fausto Levy ⁽¹⁾⁽²⁾⁽³⁾ , President and CEO	2011	\$280,419	Nil	Nil	Nil	Nil	Nil	\$100,000	\$380,419
	2010	\$298,970	Nil	Nil	Nil	Nil	Nil	\$592,307	\$891,277
	2009	\$256,838	Nil	Nil	Nil	Nil	Nil	Nil	\$256,838
Ross Corcoran ⁽¹⁾⁽⁴⁾ , Vice President Finance & CFO	2011	\$148,373	Nil	Nil	Nil	Nil	Nil	\$15,000	\$163,373
	2010	\$139,596	Nil	Nil	Nil	Nil	Nil	Nil	\$139,596
	2009	\$18,173	Nil	Nil	Nil	Nil	Nil	Nil	\$18,173
Pierre Tremblay ⁽¹⁾⁽⁵⁾ , Senior Vice President	2011	\$135,849	Nil	\$8,400	Nil	Nil	Nil	\$165,798	\$310,047
	2010	\$147,116	Nil	Nil	\$10,000	Nil	Nil	Nil	\$157,116
	2009	\$150,000	Nil	Nil	\$15,000	Nil	Nil	Nil	\$165,000

Notes to Summary Compensation Table:

- (1) During 2011, the Named Executive Officers' compensation was paid in Canadian Dollars. In prior years, the Named Executive Officers' salary, annual incentive, pension and other compensation was paid in US dollars. For the purposes of this summary table, the 2010 amounts have been converted to Canadian dollars using the average exchange rate for 2010 C\$0.9891 per US dollar.
- (2) Fausto Levy is President of CADRI and was retained as President and Chief Executive Officer of Global in July 2010 under a services agreement with between Global and FTM Capital Inc. This services agreement has terminated and was replaced in September 2011 with the services agreement described in the preceding section.
- (3) During 2011 Mr Levy's other compensation includes payment of a Special Bonus of \$100,000 on completion of the CADRI sale transaction.
- (4) Ross Corcoran was appointed Vice President of CADRI in November 2009, Chief Financial Officer of the Company in July 2010 and Vice President & Secretary of the Company March 2011. Mr Corcoran's other compensation includes a bonus of \$15,000. Mr Corcoran did not receive any compensation from FTM Capital Inc. in any of the years presented in the above table.
- (5) Pierre Tremblay joined CADRI in November 2007. The annual salary of Mr Tremblay presented in the above table is until the sale of CADRI in September 2011, as Mr Tremblay ceased to provide his services to Global after the sale. Mr Tremblay's options-based award was the result of his exercise of 11,666 share options at \$0.72 each. Mr Tremblay's other compensation includes a lump sum termination payment of \$150,000 in accordance with the terms of his employment agreement, which is equivalent to a year of salary, plus vacations payment of \$15,798.

Employment Agreements – Termination Benefits

In 2011, concurrent with the closing of the CADRI sale, a lump sum termination payment of \$150,000 as well as vacation accruals of \$15,798 were paid to Pierre Tremblay, the former Senior Vice President, Operations of the Company, in accordance with the terms of his employment contract.

Following the CADRI sale, the Company ceased to have any employees and is not party to any employment agreements. The Company can terminate its services agreement with FTM Capital Inc. (pursuant to which Messrs. Levy and Corcoran provide services to the Company) at any time without penalty on 30 days' written notice. The monthly work fee payable to FTM Capital Inc. is \$15,000.

Incentive Plan Awards

Of the 252,500 share options outstanding as of December 31, 2010, 11,666 were exercised by Mr Tremblay at \$0.72 each, while the other 240,834 share options were cancelled concurrently with or subsequent to the sale of CADRI. As a result, there were no outstanding options or share-based awards as at December 31, 2011.

No incentive plan awards vested or were earned during 2011 by Named Executive Officers.

Directors' Compensation

Members of the Board of Directors, who are not officers of the Company, are remunerated for services rendered in their capacity as directors by way of a combination of retainer fees and meeting attendance fees. Compensation is structured to provide competitive levels of total compensation and to attract and retain suitable and qualified directors with commitment to the Company.

The following table reflects the current board fee structure and assumes membership on the board for an entire one year term. The Directors' Remuneration did not increase during 2011.

	Chair retainer	Member retainer	Per meeting fee
Board of Directors ⁽¹⁾	Nil	\$11,869	\$742
Audit Committee ⁽²⁾	\$15,578	N/A	\$742

Notes:

- (1) The board member retainers, meeting fees and Committee fees are payable in US dollars. For the purposes of this summary table, these amounts have been converted to Canadian dollars using the average 2011 exchange rate of CDN \$0.9891 per US dollar. The Audit Committee Chairman receives the Audit committee Chair retainer in lieu of his board retainer.
- (2) Members of the Audit Committee at December 31, 2011 were Laurie Bennett (Chairman), Thomas Dea and Jacques Coté. The Audit Committee Chairman receives the Chair retainer.

The following table sets forth all compensation earned for the fiscal year ended December 31, 2011 by members of the Company's Board of Directors.

Name	Fees Earned (\$) ⁽¹⁾	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽⁶⁾	Total compensation (\$)
Laurie Bennett ⁽²⁾	\$28,189	Nil	Nil	Nil	Nil	Nil	\$28,189
Jacques Coté ⁽³⁾	\$24,480	Nil	Nil	Nil	Nil	Nil	\$24,480
Thomas Dea ⁽⁴⁾	\$24,480	Nil	Nil	Nil	Nil	\$25,000	\$49,480
Alan Sellery ⁽⁵⁾	\$21,513	Nil	Nil	Nil	Nil	Nil	\$21,513

Notes to Directors' compensation:

- (1) The board member retainers and meeting fees are payable in US dollars. For the purposes of this summary table, these amounts have been converted to Canadian dollars using the average 2011 exchange rate of CDN \$0.9891 per US dollar.
- (2) Mr. Bennett joined the board in May 2009 and Chairs the Company's Audit Committee.
- (3) Mr. Coté joined the board in May 2009.
- (4) Mr. Dea joined the board in May 2009 and is Chairman of the Board.
- (5) Mr. Sellery joined the board in May 2009.
- (6) Other compensation represents a special bonus paid on completion of the CADRI sale transaction.

Directors are reimbursed for travel and other out of pocket expenses incurred in attending board or committee meetings, and for reasonable expenses incurred while on business relating to the Company.

In considering and setting the appropriate level of compensation for directors, the Board takes into account the compensation paid to directors of other railway supply companies and public companies of a size similar to the Company.

In 2008, the Board reduced the compensation payable to its directors in light of the financial condition of the Company at that time. As a consequence, the Board has in the past approved, and from time to time in the future may approve, additional fees for directors to recognize extraordinary service, effort or results achieved. In 2011, the Board approved additional fees that were paid to Mr. Dea, upon completion of the sale of CADRI to 2290693 Ontario Inc.

Incentive plan awards

The Company has not awarded any stock options to its directors since 2008. None of the directors held any stock options as at December 31, 2011. No incentive plan awards vested or were earned during 2011 by the directors.

Attendance at Board and Audit Committee Meetings

The following table sets out the attendance of 2011 Board and Audit Committee meetings by each of the Company's directors:

	Board Meetings Attended / Total	Audit Committee Meetings Attended / Total
Thomas Dea	13 / 13	4 / 4
Laurie Bennett	13 / 13	4 / 4
Jacques Coté	13 / 13	4 / 4
Alan Sellery	12 / 13	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company's Stock Option Plan is its only equity compensation plan. As shown in the table below, there are no stock options outstanding as of December 31, 2011, as all of them were either cancelled or exercised concurrent with or subsequent to the sale of CADRI. The Company ceased issuing new stock options upon the commencement of its strategic review in 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted average exercise price of outstanding options, warrants and rights (\$)	Number of securities available for future issuance under equity compensation plans (excluding options, warrants and rights issued and outstanding) (#)
Equity compensation plans approved by security holders	Nil	Nil	1,524,740
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	Nil	Nil	1,524,740

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No indebtedness (other than routine indebtedness) has been owing by any of the directors, executive officers or any of their associates to the Company or any subsidiaries, and no guarantees, support agreements, letters of credit or similar arrangements have been provided by the Company or any subsidiaries to these individuals, at any time since the commencement of the Company's last completed financial year.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any director or executive officer of the Company, any insiders of the Company, any proposed nominee for election as a director, or any associate or affiliate of such persons, in any transaction since the beginning of the last completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of the subsidiaries, except as described below or disclosed elsewhere in this management information circular.

On September 23, 2011, Global sold its remaining operating subsidiary, CADRI, to a company (the "Buyer") controlled by Mr. Levy, Global's President & Chief Executive Officer, for a purchase price of \$12.8 million (before transaction costs, purchase price adjustments and net working capital adjustments), including the assumption of VIA customer deposits of approximately \$434,000 as at September 22, 2011. One million dollars of the purchase price has been deposited into escrow for one year for potential indemnification claims. The net proceeds from the sale were \$11.5 million after transaction costs of \$616,000, purchase price adjustments of \$253,000 and net working capital adjustments of \$21,559.

The sale of CADRI was approved by more than two-thirds of the votes cast by Global's shareholders, including a majority of the votes cast by shareholders other than Mr. Levy, the Buyer, other members of CADRI management and their "related parties" (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), at a special meeting of shareholders held on August 30, 2011.

In approving the sale of CADRI and recommending it to shareholders, the Board of Directors considered, among other things, the advice of its financial and legal advisors, a formal valuation of CADRI prepared by RSM Richter Inc., a fairness opinion from RSM Richter to the effect that the CADRI sale was fair, from a financial point of view, to the Company, the costs of to operate CADRI as a public company and the limited interest in CADRI from potential third party purchasers, both during the 2009 auction process that resulted in the sale of G&B Specialties and Bach-Simpson to Wabtec Corporation and during a 70-day marketing period following the execution of the letter of intent with the Buyer.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of these individuals, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

ADDITIONAL INFORMATION

Additional financial information regarding the Company's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2011. These statements and all the continuous disclosure documents submitted to the applicable securities commissions and the TSX Venture Exchange can be found on SEDAR at www.sedar.com. Shareholders may request a copy of the financial statements and management's discussion and analysis from the Company's Administrative Office by mail at 155 Montreal-Toronto Blvd, Lachine, Quebec, H8S 1B4 by phone at (514) 643-3139, or by fax at (514) 634-3932.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 *Corporate Governance Guidelines* provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions, their independence from management, and other means of addressing corporate governance practices. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") mandates that all issuers must disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101. Disclosure of the Company's corporate governance practices, in Form 58-101F2, is set forth below.

BOARD OF DIRECTORS

The information set forth below is a summary of those corporate governance practices.

1. Board of Directors

In determining a director's independence Global refers to the National Instruments and, in particular, the "Meaning of Independence" set forth in National Instrument 52-110 – Audit Committees. Based on a review of the National Instrument, Global has determined that:

- the Board is currently independent, with all four directors classified as independent directors pursuant to NI 58-101 and NI 52-110;
- the Board will remain majority independent following the election of directors at the Meeting;
- none of the current directors have been an employee or executive officer of the Company within the last three years

The Board meets at least every quarter for a formal board meeting. Depending on the level of activity of the Company, the Board will meet on an ad hoc basis as necessary to provide input and guidance to Management. In 2011, board meeting attendance averaged 98% and Audit Committee meeting attendance was 100%. The Board held thirteen regularly scheduled meetings called to address specific business matters. A comprehensive meeting package was provided to all directors and committee members in advance of the meetings.

The full text of the Board's mandate is attached as Schedule "A" to this Information Circular. The Board has complied with its mandate.

Due to the reduced size of the Board, the responsibilities of the Corporate Governance and Compensation Committee continue to be assumed directly by the full Board.

A board manual (the "Board Manual") has been developed which includes position descriptions for the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer.

Written mandates have been put in place setting forth the specific roles and responsibilities for the Board, each of its committees and the individual directors.

The written mandate for each committee requires that the committee be comprised of at least three members, all of whom are "independent" for the purposes of any applicable corporate, securities or other legislation.

2. Directorships

Other than Mr. Bennett, who is a director of Exco Technologies Limited and Mr. Sellery, who is a director of Gesco Industries Inc. and Gaspard LP, none of the directors are currently directors of any other reporting issuer (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.

3. Orientation and continuing education

The Board is responsible for ensuring that there is in place an education and orientation program for new members of the Board, to ensure new Board members are provided with a Board manual, and to ensure a continuing education program for all directors is in place. The Board manual provided to new directors includes the Board mandate, Committee Charters, and the policies of the Company. Policy additions, updates and reviews are conducted on a continuing basis, providing directors with a current knowledge of the policies of the Company. As necessary, formal education on the continuing advances in corporate governance and directors responsibilities are held internally for new and continuing directors. In addition to the internal programs provided, directors are encouraged to attend external education programs to enhance their development as a member of the Board.

4. Ethical business conduct

The Board has written policies outlining business conduct, disclosure and confidentiality, and share trading. The Business Conduct Policy sets out the minimum standards of behaviour required by all employees, officers and directors in conducting the business affairs of the Company. The Disclosure and Confidentiality Policy ensures communications to the investing public about the Company are timely, factual and accurate. The policy addresses guidelines for dissemination of information in accordance with all legal and regulatory requirements. The Company's Insider Trading Policy prescribes rules for restricted persons and employees with respect to trading in securities of the Company by individuals when there is undisclosed material information or pending material developments with respect to the Company. A copy of any of the aforementioned policies can be obtained by contacting the Company's Administrative Office by mail at 155 Montreal-Toronto Blvd, Lachine, Quebec, H8S 1B4 or by phone at (514) 634-3139, or by fax at (514) 634-3932.

Conflicts of interest are disclosed in accordance with the *Business Corporations Act (Alberta)* and any director with a conflict must abstain from voting. The Audit Committee has adopted a "whistle-blower" policy and a confidential procedure for reviewing expressions of concern which is designed to ensure a culture of ethical business conduct.

5. Nomination of Directors

Candidates for positions on the Board of Directors are submitted to the Board by the executive and existing Board members for evaluation. The Board seeks to ensure that there is a competent range of skills, expertise and experience in the Board membership so it may carry out its responsibilities. The Board also, on an annual basis, reviews the size of the Board and on a periodic basis undertakes an evaluation of the effectiveness of the Board as a whole.

AUDIT COMMITTEE

The purpose of the Company's Audit Committee is to provide assistance to the Board of Directors of the Company in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company. It is the objective of the Audit Committee to maintain a free and open means of communications among the Board of Directors, the independent auditors, and the financial and senior management of the Company.

The full text of the Audit Committee's charter is included as Schedule "B" to this Information Circular.

1. Composition of the Audit Committee

The Audit Committee is comprised of Laurie Bennett (Chairman), Thomas Dea, and Jacques Coté. Each of the members is financially literate as defined under Section 1.6 of National Instrument 52-110 "Audit Committees" ("NI52-110"). Laurie Bennett, Thomas Dea, and Jacques Cote are independent as such term is defined under Section 1.4 of NI52-110.

2. Relevant Education and Experience

Laurie Bennett is a Chartered Accountant having retired after 27 years as a partner from Ernst & Young Chartered Accountants in 2004. Mr. Bennett earned a Bachelor of Arts degree from the University of Western Ontario in 1967 and his Chartered Accountant designation in 1970.

Thomas Dea is a founding partner of West Face Capital Inc., a Toronto-based institutional investor with over \$2.5 billion in capital under management. Mr. Dea was previously a Managing Director at Onex Corporation, Canada's largest private equity investment firm, where he worked from 1995 to 2003.

Jacques Coté is a career railway executive having retired after 30 years of service with Canadian Pacific Railway ("CPR"). Mr. Coté's last posting was President and CEO of the St. Lawrence and Hudson Railway, which operated the entire railway's assets east of Chicago from 1996 to 2001. Following his retirement from CPR, he has remained active in consulting for clients in the railway and urban development fields. Mr. Coté also sits on a number of not for profit corporation boards.

3. Pre-Approval Policies and Procedures

Under its Terms of Reference, the Audit Committee is required to review and pre-approve the objectives and scope of the external audit work and proposed fees. In addition, the Audit Committee is required to review and pre-approve all non-audit services which the Company's external auditor is to perform.

Since the implementation of these procedures, all services provided by the Company's external auditor relating to the fees reported as audit, audit-related, tax and all other services were approved by the Audit Committee or its Chairman.

4. Audit Fees

The aggregate fees billed, excluding out-of-pocket expenses, by the Company's external auditor, KPMG LLP, for audit services for the financial years ended December 31, 2011 and 2010 were \$165,000 and \$487,000, respectively.

The aggregate fees billed, excluding out-of-pocket expenses, by the Company's external auditor, KPMG LLP, for the last two financial years for quarterly reviews of the Company's interim financial statements were \$232,000 in 2011 and \$226,000 in 2010.

5. Audit-Related Fees

The aggregate fees billed, excluding out-of-pocket expenses, by the Company's external auditor, KPMG LLP, for the last two financial years for assurance and related services that are related to the performance of the audit or review of the Company's financial statements and not reported under the heading "Audit Fees" above were \$232,000 in 2011 and \$173,000 in 2010, and relate to assistance with documentation of the Company's internal controls over financial reporting, and reviewing the Company's International Financial Reporting Standards ("IFRS") project documentation and conversion as the Company presented its first set of financial statements under IFRS for year 2011 with 2010 comparative restated figures.

6. Tax Fees

The aggregate fees billed, excluding out-of-pocket expenses, by the Company's external auditor, KPMG LLP, for professional services respecting tax compliance, tax advice, general tax planning, and tax planning with respect to the sale of CADRI, Bach and GBIH in the financial years ended December 31, 2011 and 2010 were approximately \$90,000 and \$88,000, respectively.

7. Exemption

Global is relying upon the exemption in section 6.1 of the NI 52-110.

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SCHEDULE "A"

GLOBAL RAILWAY INDUSTRIES LTD.

("the Company")

Board of Directors Mandate

December 14, 2006

PURPOSE

The Board of Directors (the "Board") has the responsibility for the overall stewardship of the conduct of the business of the Company and the activities of Management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Company. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, shall set the standards of conduct for the Company.

PROCEDURES AND ORGANIZATION

The Board operates by delegating certain of its authorities to Management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Subject to the Articles and By-Laws of the Company and the *Business Corporations Act* (Alberta) (the "Act"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

DUTIES AND RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below:

1. Legal Requirements

The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;

2. The Board has the statutory responsibility to:
 - a. manage the business and affairs of the Company;
 - b. act honestly and in good faith with a view to the best interests of the Company;
 - c. exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
 - d. act in accordance with its obligations contained in the *Business Corporations Act* (Alberta), (the "Act"), and the regulations thereto, the Company's Articles and By-Laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations;
3. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to Management or to a committee of the Board:
 - a. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - b. the filling of a vacancy among the directors or in the office of auditor;
 - c. the issuance of securities;
 - d. the declaration of dividends;
 - e. the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - f. the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - g. the approval of management proxy circulars;
 - h. the approval of any take-over bid circular or directors' circular;
 - i. the approval of financial statements of the Company; and
 - j. the adoption, amendment or repeal of By-Laws of the Company.

INDEPENDENCE

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of Management.

STRATEGY DETERMINATION

On an annual basis, the Board has the responsibility to ensure there are written long-term goals, a written strategic planning process and a written succession plan in place for the Company and to participate with Management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business.

MANAGING RISK

The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

DIVISION OF RESPONSIBILITIES

The Board has the responsibility to:

- a. appoint and delegate responsibilities to committees where appropriate to do so; and
- b. develop position descriptions for:
 - i. the Board
 - ii. the Chairman of the Board;
 - iii. the Chief Executive Officer;
 - iv. the Chief Financial Officer;
 - v. The Chief Operating Officer and
 - vi. any other position description the Board deems appropriate, as determined by the Board, acting in the best interests of the shareholders.

APPOINTMENT, TRAINING AND MONITORING OF SENIOR MANAGEMENT

The Board has the responsibility:

- a. to appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance, to determine the Chief Executive Officer's compensation, and to provide advice and counsel in the execution of the Chief Executive Officer's duties;
- b. to approve the appointment and remuneration of all corporate officers, acting upon the advice of the Chief Executive Officer;

- c. to ensure that adequate provision has been made to train and develop Management and for the orderly succession of Management; and
- d. to ensure that Management is aware of the Board's expectations of Management.

POLICIES, PROCEDURES AND COMPLIANCE

The Board has the responsibility:

- a. to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- b. to approve and monitor compliance with significant policies and procedures by which the Company is operated;
- c. to ensure the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation; and
- d. to ensure the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace.

REPORTING AND COMMUNICATION

The Board has the responsibility:

- a. to ensure the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;
- b. to ensure that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- c. to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;

The Board has the responsibility: (Continued)

- d. to ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company;
- e. to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year; and
- f. to develop appropriate measures for receiving shareholder feedback.

MONITORING AND ACTING

The Board has the responsibility:

- a. to ensure the Company has a properly designed system of internal control over financial reporting;
- b. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through Management in response to changing circumstances;
- c. to take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- d. to ensure that the Company has implemented adequate control and information systems which ensure the effective discharge of its responsibilities; and
- e. to make regular assessments of the Board's effectiveness.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

DECEMBER 14, 2006

PURPOSE

The overall purpose of the Audit Committee (the "Committee") of the Board of Directors of Global Railway Industries Ltd. (the "Company") is to carry out the functions associated with an audit committee of an issuer of the size and nature of the Company (as defined below). The purpose of the Committee is to ensure that the Company's management has designed and implemented an effective system to review and report on the integrity of the financial statements of the Company. As part of this mandate, the Committee shall consider all necessary policies, rules, regulations and instruments pertaining to audit and financial reporting that are applicable to the Company from time to time (the "Applicable Laws").

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The committee shall consist of not less than three members of the Board of Directors of the Company (the "Board") each of whom:
 - a. must meet any independence tests; and,
 - b. must satisfy any financial literacy or other competency standards that are set out under Applicable Laws, except as may be allowed under applicable exceptions provided for under Applicable Laws or any exemption orders obtained from applicable regulatory authorities.
2. The Board, at its organization meeting held in conjunction with each annual general meeting of the shareholders of the Company, shall appoint the members of the Committee and the Chairman for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication conference device that permits all persons participating in the meeting to speak and to hear each other.
4. The Committee shall have access to such officers and employees of the Company and consolidated subsidiaries of the Company, and to the Company's external auditors and to such information respecting the Company, as the Committee considers being necessary or advisable in order to perform its duties and responsibilities.

5. Meetings of the Committee shall be conducted as follows:
 - a. The Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chairman. The Company's external auditors or any member of the Committee may request a meeting of the Committee;
 - b. The Company's external auditors may receive notice of and may be requested to attend meetings of the Committee;
 - c. The Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer of the Company may be requested to attend all meetings of the Committee, except executive sessions and private sessions with the external auditors. Other management representatives of the Company shall be invited to attend as necessary;
 - d. Minutes of the meeting will be approved by the Committee members and circulated to the Board of Directors;
 - e. On an annual basis there will be a separate in camera session with each of the CFO and the CEO; and
 - f. The Chairman of the Committee will inform the Executive Assistant of the number of meetings held during the quarter for payment of meeting fees.
6. The external auditors of the Company shall have a direct line of communication to the Committee through the Chairman. The Company shall require the external auditors of the Company to report directly to the Committee.

DUTIES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall include:
 - a. Establishing and maintaining a direct line of communication with the Company's external auditors and assessing their performance;
 - b. Ensuring that the management of the Company has designed, implemented and is maintaining an effective system of internal controls for the Company;
 - c. Ensure adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
 - d. Review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and

- e. Review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall include:
- a. Recommending to the Board a firm of external auditors to be engaged by the Company;
 - b. Reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - c. Reviewing the audit plan of the external auditors prior to the commencement of the audit;
 - d. Reviewing with the external auditors, upon completion of their audit:
 - i. Contents of their report;
 - ii. Scope and quality of the audit work performed;
 - iii. Adequacy of the Company's financial and auditing personnel;
 - iv. Cooperation received from the Company's personnel during the audit;
 - v. Internal resources used;
 - vi. Significant transactions outside of the normal business of the Company;
 - vii. Significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
 - viii. Review the management letter and any recommendations or findings and management's response thereto;
 - ix. Review and resolve disagreements between management of the Company and the external auditor regarding financial reporting;
 - e. Pre-approving all, non-audit services to be provided to the Company by the Company's external auditor in accordance with Applicable Laws; and
 - f. Periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.
3. The Committee shall hold *in camera* (i.e. without the presence of management of the Company) meetings with the external auditors at least once a year prior to the approval of the audited annual financial statements of the Company and at such other times as determined necessary or appropriate by the Committee.

4. The Committee is also charged with the responsibility to:
 - a. Review and approve the Company's public disclosure documents including press releases, financial statements (annual and interim) and MD&A (annual and interim);
 - b. Review regulatory filings as they relate to the Company's consolidated financial statements;
 - c. Review the minutes of any Audit Committee meeting of any associated companies, partnerships or trusts, if applicable;
 - d. Review with management, the external auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessment that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - e. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters consistent with the whistleblower policies; and
 - f. Review and approve the Company's hiring of partners, employees and former partners and employees of the present and former external auditors of the Company.
5. The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.