

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

1. Name and address of the offeror:

North Group Finance Limited ("North Group")
Suite 416 - 375 Water Street
Vancouver, BC
V6B 5C6

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 news release, and whether it was ownership or control that was acquired in those circumstances:

On January 30, 2013, North Group acquired, through a wholly-owned subsidiary, direct ownership of 1,457,500 common shares of Global Railway Industries Ltd. ("GBI"), representing approximately 9.5% of the outstanding common shares of GBI.

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 the obligation to file the news release:

North Group owned 3,942,300 common shares of GBI before the transaction. Accordingly, North Group now owns an aggregate of 5,399,800 common shares of GBI, representing approximately 35.4% of the outstanding common shares of GBI.

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,

5,399,800.

(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

None.

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

None.

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

North Group purchased the shares through the facilities of the NEX board of the TSX-Venture Exchange.

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 a report:**

North Group purchased the common shares of GBI at a price of \$0.22 per 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:**

North Group acquired common shares of GBI for investment purposes. In the future, North Group may, subject to applicable law, acquire additional common shares or dispose of common shares depending upon a number of factors, including general market and economic conditions and other available investment opportunities.

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:**

The wholly-owned subsidiary through which North Group acquired the common shares of GBI is 0719906 B.C. Ltd.

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 of the consideration paid by the offeror:**

Not applicable.

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 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:

Not applicable.

DATED January 30, 2013

NORTH GROUP FINANCE LIMITED

/s/ Tom Kusumoto

Tom Kusumoto, President