GLOBAL RAILWAY INDUSTRIES LTD.

ANNUAL INFORMATION FORM

For the year ended December 31, 2010

Dated: March 30, 2011

GLOBAL RAILWAY INDUSTRIES LTD.
ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2010

FORWARD LOOKING INFORMATION

Certain statements in this report may constitute "forward looking information" which involve known and unknown risks, uncertainties and other factors that may cause the actual combined results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by such "forward looking statements." Such statements may reflect current beliefs, expectations, estimates and assumptions regarding future events and operating performance and speak only as of the date of this report. Reference should be made to the Company's December 31, 2010 annual consolidated financial statements and this Annual Information Form for a discussion of risk factors including among others technology, competitive and regulatory changes. For additional guidance, please review the Company's continuous disclosure materials available through the SEDAR website at www.sedar.com.

TABLE OF CONTENTS

GLOBAL RAILWAY INDUSTRIES LTD.
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FOR THE YEAR ENDED DECEMBER 31, 2010

ITEM 1: CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

Global Railway Industries Ltd. ("the Company" or "Global") was incorporated as 708288 Alberta Ltd. in the Province of Alberta, pursuant to the provisions of the *Business Corporations Act* (Alberta), by Certificate of Incorporation dated January 30, 1997. The name of the Company was changed to RMN Technologies Inc. by Certificate of Amendment dated April 9, 1997. The articles of the Company were amended to remove the limitation of the number of shareholders and the restriction to offer its securities to the public by Certificate of Amendment dated May 23, 1997. The name of the Company was further changed to Global Railway Industries Ltd. by Certificate of Amendment dated February 3, 1999.

The Head Office of the Company is located at 405 Queen Street South, Bolton, Ontario, L7E 2B5. The Registered Office is located at 600 West Chambers 12220 Stony Plain Road, Edmonton, AB, T5N 3Y4. The Company's mailing address is 155 Montreal-Toronto Blvd, Lachine, Quebec H8S 1B4.

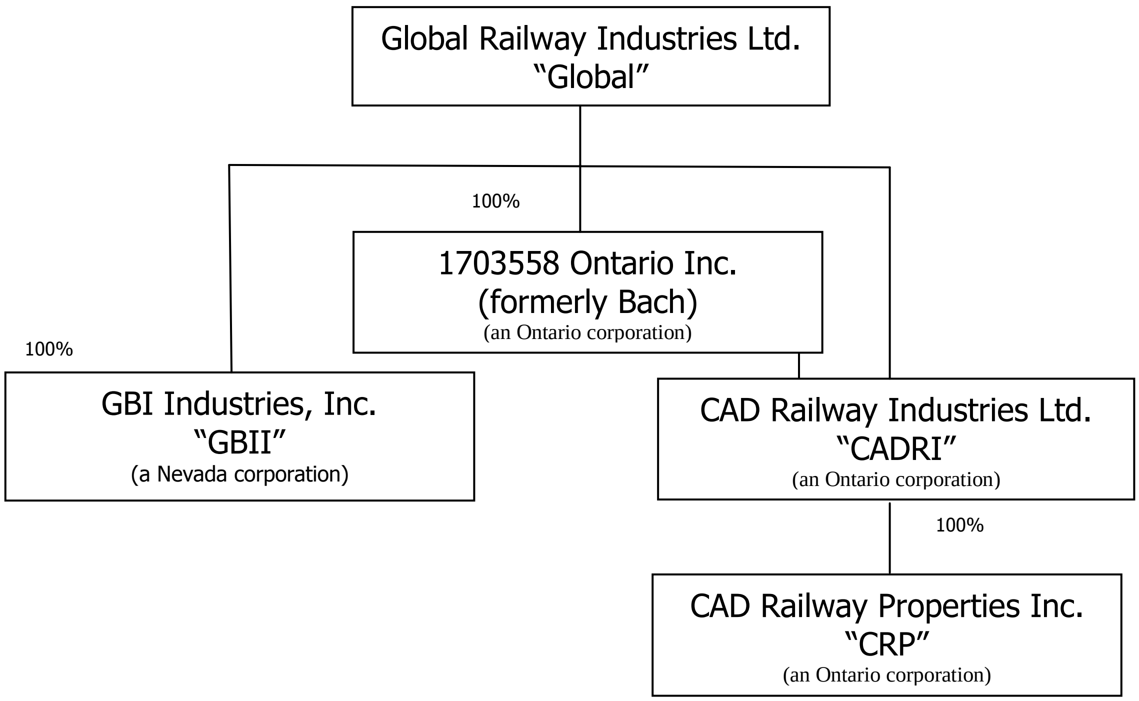
1.2 Inter-Corporate Relationships

Subsidiaries

As at December 31, 2010, the Company had three wholly owned direct subsidiaries: CAD Railway Industries Ltd. ("CADRI"), formally Prime Steel Inc. ("Prime"); 1703558 Ontario Inc., formerly Bach Simpson Corporation ("Bach"); and GBI Industries, Inc. ("GBII"), formally YSD Industries (2004), Inc. CADRI had one wholly owned subsidiary, CAD Railway Properties Inc. ("CRPI").

Chart of Subsidiaries

The following chart outlines the corporate structure of the Company as at December 31, 2010:



ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three Year History / Significant Acquisitions and Transactions

In November 2007, in connection with the acquisition of by CADRI of the business assets and net working capital of Canada Allied Diesel Co. Ltd., CAD Railway Services Inc. and Engine System Development Center Inc., the Company entered into a credit agreement with two Canadian Chartered Banks, which provided loan facilities aggregating $34.1 million (the "Credit Facility"). In December 2008, the borrowing rates and a certain compliance covenant within the Credit Facility were amended. In July 2009, the Company's borrowing rates under the Credit Facility were increased. In November 2009, the Lenders introduced a quarterly Earnings Before Income Taxes, Depreciation and Amortization ("EBITDA") covenant, allowed the postponement of two scheduled quarterly payments on the Company's long-term debt, and introduced conditions for the sale of at least one subsidiary or raising alternative financing.

In December 2007, CADRI was awarded a $101.5 million contract that has since been increased to $113.3 million to remanufacture VIA Rail Canada's ("VIA") fleet of 53 F40 locomotives and additional work. The VIA fleet renewal program will see the full remanufacture of VIA's F40 locomotives, including several technological upgrades, and is expected to be completed by the end of 2012. Revenues generated from this contract, which are predominantly denominated in Canadian dollars, provided an improved balance to the Company's overall operations between Canada and the United States.

In June 2008, CRPI completed the acquisition of the land and building adjacent to its main facility building. CADRI had previously leased approximately sixty percent of the acquired building for the VIA contract. This acquisition gave CADRI complete control over rail access to the facility and increased its capacity to undertake additional long term re-manufacturing contracts. The Company completed the transfer of CADRI's metal fabrication equipment from Courtice, Ontario to the main facility in Lachine, Quebec. This change enabled CADRI to achieve material logistics and procurement efficiencies in 2009.

During the second quarter of 2008, the Company received an unsolicited expression of interest from a third party. As a result, the Company's Board of Directors established a Special Committee of the Board to consider and evaluate the Company's strategic options. The Special Committee engaged a financial advisor to assist in the process. The Special Committee determined, and the Board concurred, that the strategic options identified through this process did not merit further action.

The Company announced on May 12, 2009, after the Board was reconstituted at the AGM, that the new Board would be exploring all available strategic options to maximize shareholder value and established a new Special Committee to assess all strategic alternatives available to the Company. The Special Committee engaged an independent financial advisor and retained independent legal counsel to assist with the process. In the third quarter of 2009, the Special Committee's mandate was expanded to address issues related to the Company's liquidity and debt restructuring as they were closely interrelated. The Special Committee, with the advice of its financial advisor, considered all alternatives to maximize shareholder value.

As part of this process, the financial advisor conducted a very broad auction to identify potential purchasers of all or part of the Company. The auction process resulted in the July 14, 2010 signing of an agreement to sell all of the outstanding shares of GBI USA Holdings, Inc. ("GBIH"), the parent company of G&B Specialties, Inc. ("G&B"), and all of the business and substantially all of the assets and liabilities of Bach to Wabtec Corporation (or affiliates thereof) for approximately $48 million, subject to working capital adjustments. The Special Committee and the Board of Directors unanimously determined these sale transactions to be in the best interest of the Company and its shareholders. A redacted copy of the July 14, 2010 Asset and Share Purchase Agreement can be found on SEDAR at www.sedar.com.

The sale of the GBIH shares to a subsidiary of Wabtec Corporation was completed on July 28, 2010. After deducting the escrowed amount, working capital adjustments, settlement of G&B's corporate income taxes, estimated transaction costs and contractual management severance payments, the Company received cash of approximately $26.0

million on closing. Approximately $19.2 million of the net proceeds were applied to retire the Company's term loan and reduce its operating loan under the Credit Facility.

The sale of the business and substantially all of the assets and liabilities of Bach to another subsidiary of Wabtec Corporation was completed on August 20, 2010. After deducting the escrowed amount, working capital adjustments, lease termination costs and estimated transaction related costs, the Company received cash of approximately $10.0 million on the closing of the sale of Bach. Approximately $2.4 million of the net proceeds from the transaction were applied to repay the balance of the Company's operating loan and terminate the Credit Facility.

Prior to the completion of the Wabtec transaction, the Company and its subsidiaries completed internal corporate and management restructurings, which included, among other things, the resignations of Terry McManaman as the Company's Chairman, President and Chief Executive Officer and Brian McMullan as the Company's Chief Financial Officer. Thomas Dea, the lead independent director, assumed the role of Chairman, Fausto Levy, the President of CADRI, was appointed President and Chief Executive Officer of the Company, and Ross Corcoran, the Vice-President Finance of CADRI, was appointed Chief Financial Officer of the Company.

2.2 Trends

Along with other industries in Canada and the United States, railroads have suffered during the economic downturn. Freight traffic is a "derived demand" industry; demand for the rail service is linked to the demand for the products that the railroads haul. Rail traffic, therefore, acts as a solid barometer of the overall health of the economy. The US Federal Reserve earlier this year said that the economy "continued to expand at a modest to moderate pace." A number of factors have led to an increase in freight volume in the United States including rising fuel costs leading to an increased demand for rail, since railroads are on an average four times more fuel-efficient than trucks; a surge in United States imports and record United States agricultural exports boosting rail shipments to and from ports; a rise in natural gas prices causing power plants to burn more coal to generate electricity, most coal being shipped by rail, and lastly railroad investments in capacity, innovations and use of technology led to service improvements and enhanced reliability.

With the continuing growth in the economy year to date, the finances of the railroad industry are also on the mend. The overall sentiment, based on latest available weekly data and positive comments from railroad Executives is that the business is clearly improving. The Association of American Railroads reported December 2010 that carloads were up 10.2% for the year and intermodal loads up 14.1%, compared to 2009. Weekly average carloads for December 2010 numbered 286,391 carloads which continue the 2010 trend although off the high of 297,502 carloads and the highest weekly averages since 2008. The intermodal units also recorded strong December 2010 weekly averages which were the second highest since October 2008.

The business volumes continue to grow steadily due to a pick-up in end market demand. Moreover, structural cost cuts during the downturn are forecasted to help railroads generate higher margins with leaner business models.

As the United States economy recovers, manufacturing production picks up and consumers begin spending again, industry revenue should return to historical growth patterns.

ITEM 3: DESCRIPTION OF THE BUSINESS

3.1 General

Global is a holding company of CADRI, and two inactive subsidiaries, 1703558 Ontario Inc. and GBII.

Revenues from the Company's three business categories for the years ended December 31, 2010 and December 31, 2009 for continuing and discontinued operations were as follows:

	2010	%	2009	%
Continuing operations:				
Locomotive	$45,264,248	70.9	$36,006,288	54.2
Discontinued operations:				
Track and Signal (1)	$12,159,140	19.0	20,631,625	31.0
Instrumentation (2)	$6,443,450	10.1	9,860,630	14.8
	$63,866,838	**100.0**	**$66,498,543**	**100.0**

(1) the 2010 results reflect revenues up to July 28, 2010, the date of sale of GBIH.

(2) the 2010 results reflect revenues up to August 20, 2010, the date of sale of the Bach business.

3.2 Corporate Strategy

Global is the holding company of CADRI, which provides sales and/or services, including parts, maintenance and remanufacture of locomotives and diesel engines, to the domestic and international railway industries. In May 2009, the Board of Directors established a Special Committee to conduct a strategic review of all available options to maximize the value of Global. The options included the sale of the Company in whole or in parts.

In the third quarter of 2009, the Special Committee's mandate was expanded to address issues related to the Company's liquidity and debt restructuring as they were closely interrelated with the strategic review process underway. During the third quarter of

2010, the shares of GBIH, parent company of G&B, and the business, assets and liabilities of Bach were sold to subsidiaries of Wabtec Corporation (NYSE: WAB).

During the fourth quarter the Company's Special Committee was merged with the Board of Directors and is continuing to consider strategic alternatives for the Company and its remaining operating business, CADRI.

3.3 Banking

The Company's Credit Agreement with its Lenders originally provided for a maximum amount of $34.1 million and was comprised of: (i) a demand revolving operating facility in the principal amount of $10 million, subject to borrowing base requirements, the proceeds of which were to be used to finance ongoing operating and working capital requirements; (ii) a five year revolving, reducing, term loan in the principal amount of $22 million to finance the CAD acquisition (note 20), working capital, capital expenditures and other acquisitions; (iii) a hedge facility in the maximum aggregate amount of $2,000,000 to enable the Company to incur interest rate related risk and foreign exchange related risk under hedge contracts between the Company and the Lenders; and (iv) a credit card facility in the aggregate maximum amount of $100,000.

On November 12, 2009, Management and the Lenders agreed to terms for the Second Amending Agreement to the Company's Credit Agreement. The Term Facility was changed from a revolving, reducing facility to a reducing facility. The principal repayments of long-term debt scheduled for October 1, 2009 and January 1, 2010 totaling $1,540,000 were postponed until the expiry date of the term credit facility in 2012. The Company's Operating Facility was renewed to the next annual review scheduled for April, 2010 and remained at $10 million. However, the borrowing base related to the Company's inventory was expanded from $5 million to $6.5 million, effective February 28th 2010. The Company's Hedge Facility was capped at the then current exposure level. A new Earnings before interest, taxes and amortization ("EBITDA") covenant was introduced, requiring the Company to meet minimum quarterly EBITDA targets, with a 15% tolerance, through to the end of 2010. The Lenders agreed to provide the Company with tolerance for missing its Funded Debt to EBITDA and Fixed Charge Coverage covenants through to the end of the first quarter of 2010. The amendments to the Company's Credit Agreement required the Company to undertake to proceed with the sale of one or more subsidiaries before January 31, 2010, with a transaction close date of no later than February 28, 2010; or alternatively obtain a commitment by January 31, 2010 for a new facility of not less than $5 million for a combination of equity and subordinated debt, which was to include a minimum equity injection of $2.5 million, to be completed by March 31, 2010. Under the amended terms of the Credit Agreement, the Company was required to provide the Lenders with specified monthly financial information, provide regular updates on the divestiture process, and implement monthly financial monitoring by an independent accounting firm.

On January 28, 2010, Management and the Lenders agreed to terms for the Third Amending Agreement to the Company's Credit Agreement. The amendments required a final offer of purchase for one or more subsidiaries before March 1, 2010, with a transaction close date of no later than March 31, 2010; or, alternatively, a commitment by March 1, 2010 for a new facility of not less than $5 million, for a combination of equity and subordinated debt, which was to include a minimum equity injection of $2.5 million, to be completed by March 31, 2010. Under the amended terms of the Credit Agreement, the Company was required to continue to provide the Lenders with specified monthly financial information and provide regular updates on the divestiture process.

On March 31, 2010, the Company and its Lenders agreed to terms for the Fourth Amending Agreement to the Company's Credit Agreement. The amendments required the Company to complete the sale of one or more of its subsidiaries with a transaction closing date of no later than June 30, 2010; or a debt or equity financing of not less than $5 million, including a minimum equity injection of $2.5 million, to be completed by June 30, 2010. The Company was required to provide regular updates to the Lenders regarding the progress towards completion of these requirements. The Company was also required to provide the Lenders with enhanced financial reporting.

On June 30, 2010, Management and the Lenders agreed to terms for the Fifth Amendment to the Company's Credit Agreement. In accordance with this Amendment, the Company undertook to proceed with the sale of GBIH before July 31, 2010, and the sale of Bach-Simpson before October 31, 2010 with the net proceeds on the sale of each to be used to retire the Company's various credit facilities. On July 28, 2010, the sale of GBIH was completed and in accordance with the Fifth Amending Agreement to the Credit Agreement, the Company made payments to its Lenders in the amounts of $15.8 million, to fully retire the Company's term facility, and $3.4 million, to reduce the outstanding principal of the Company's operating facility, including guarantees, to an available balance $5 million. Under this Amendment, the Company's hedge facility was cancelled and the interest rate swap contracts were terminated. On August 24, 2010, the Company repaid the remaining $2.4 million principal balance of its operating facility using partial net proceeds from the sale of the assets of Bach-Simpson.

On August 17, 2010, the Company and its Lenders agreed to terms for the Sixth Amending Agreement to the Company's Credit Agreement. In accordance with this Amendment, the Lenders undertook, following completion of the sale of the assets of Bach-Simpson, to maintain an operating facility of up to a maximum of $1.2 million solely for the purposes of issuing letters of credit, as well as ancillary facilities for electronic funds transfers and company credit cards. At December 31, 2010, the undrawn portion of the Company's original operating facility was $126,892 (December 31,2009 - $2.2 million).

The balances outstanding at December 31 under the Company's amended/retired credit facilities are as follows:

	2010	2009
Operating facility	$ -	$ 6,720,000
Term facility	-	17,380,000
Letters of credit issued	1,073,108	1,059,535
Total amount drawn upon credit facilities	1,073,108	25,159,535
Total amount of available facilities	1,200,000	27,380,000
Total undrawn portion of credit facilities	$ 126,892	$ 2,220,465

Prior to retirement, the demand revolving operating facility bore interest at a floating rate of 2.25% (2009 - between 0.75% and 2.25%) over the Canadian bank prime lending rate, or 3.5% (2009 - between 2.0% and 3.5%) over the applicable bankers acceptance rate.

Prior to retirement, the five year reducing term loan facility bore interest at a floating rate of 2.75% (2009 - between 1.0% and 2.75%) over the Canadian bank prime lending rate, or 4.0% (2009 - between 2.25% and 4.0%) over the applicable bankers acceptance rate. The principal amount available under the term facility was reduced by an amount equal to $.8 million on the first day of each calendar quarter commencing on April 1, 2008 and continuing thereafter until November 13, 2012. Each quarter, the Company was required to repay any amount of outstanding principal which exceeded the adjusted available amount on the term facility. The principal repayments due on October 1, 2009 and January 1, 2010 totaling $1.5 million had been postponed until the expiry date of the term credit facility in 2012.

The Company had not been in compliance with all of the covenants under its Credit Agreement since the fourth quarter of 2008. As a result of these covenant breaches, the Lenders were in a position to take enforcement action against the Company that could have resulted in the curtailment or termination of all or a portion of the credit facilities, demand for payment and/or realization on security. Since there was a risk that the term facility could have been terminated within one year, the Company had classified all of its long-term debt as a current liability on the Consolidated Balance Sheets.

On September 24, 2010, the Company negotiated a new Credit Agreement with one of its Lenders, establishing a $1.2 million demand loan revolving facility; as well as ancillary facilities for corporate credit cards and electronic funds transfers’ in the aggregate maximum amount of $ .6 million. Security for the new facilities includes guarantees and a cash collateral pledge in the amount of $1.3 million. The facility bears interest at Canadian bank prime rate plus 0.25%. As at December 31, 2010 no amounts were drawn against these new facilities.

3.4 Description of the Businesses of CADRI, G&B, and Bach-Simpson

The following is a narrative description of each of the businesses of the subsidiaries of the Company:

CADRI (Locomotive segment)

CADRI offers its customers turnkey rail supply services primarily to the North American north-east railway industry, and secondarily to the rest of the Canadian market and overseas. CADRI sells parts, services and technical expertise in the maintenance, remanufacture and testing of diesel engines for locomotives, marine engines and power plants worldwide. CADRI services, repairs, and remanufactures all categories of freight cars, tank cars, locomotives and passenger cars, and provides locomotive emission testing and engine diagnostic services. CADRI sells its products and services through employed sales people and commissioned sales agents.

CADRI's most significant customers include: Via Rail Canada, Rio Tinto (Alcan), Canadian Coast Guard, Canadian National Railway, Canadian Pacific Railway, Procor, Ontario Northland Railway, Port of Montreal, Rail America, Athabasca Northern, Electro-Motive Diesel and General Electric.

It is difficult to estimate CADRI's market share since the market for CADRI's products and services is so wide and fragmented.

CADRI's main competitors include: Bombardier, Wabtec Corporation, NRE, Progress Rail, International Rail Services and other smaller competitors for various CADRI products.

CADRI's competitive advantages in relation to the competitors identified above are as follows:

i) CADRI is the only major locomotive remanufacturing shop within a 1,000 kilometre radius of Montreal;

ii) CADRI's facilities are located in an excellent geographical location, close to several major customers, with access to both Canadian Pacific and Canadian National lines; and

iii) CADRI is the only company in Canada that offers full-scale applied research and development, as well as testing, for diesel engines used in rail, marine and stationary applications.

Business at CADRI's is cyclical with the general economy and, with the exception of major contracts, is based upon repeat short term contracts with the major railroads. CADRI employs 283 active people.

G&B (Track and Signal segment)

G&B designs, manufactures and markets railroad track and signal components and railgear for use by freight and passenger railroads. More specifically, G&B manufactures switch machine layouts, manual switch stands, electric switch locks, switch circuit controllers and component parts for the mentioned products. A railgear unit is a set of rail guide wheels installed on the under carriage of a highway vehicle. The rail guide wheels are hydraulically raised and lowered. The railgear unit provides the vehicle the ability to travel on public roads and also, when the rail guide wheels are lowered, to travel on rail lines.

Together with its parent company GBIH, G&B was sold to a subsidiary of Wabtec Corporation on July 28, 2010.

Bach (Instrumentation segment)

Bach's primary products include event recorder and speed indicator systems produced for rail transit and freight original equipment manufacturers ("OEM's") such as Bombardier, Alstom, Kawasaki, General Electric, Sumitomo, Siemens and Electro-Motive Diesel. In addition, Bach supplies products directly to most transit authorities and freight railroads in North America.

The business and substantially all of the assets and liabilities of Bach were sold to a subsidiary of Wabtec Corporation on August 20, 2010.

3.5 Risk Factors

The Company's primary business risks are listed below**:**

Key Personnel

The Company's senior management team is comprised of its President and Chief Executive Officer ("CEO") and the Vice President Finance and Chief Financial Officer ("CFO"). The success of the Company and its business strategy depends, to a degree, upon the skill and efforts of its senior management team and upon its ability to attract and retain qualified personnel. The unanticipated loss of the services of one or all members of the senior management team could have a material adverse effect on the Company's business, financial condition, results of operations or implementation of the Strategic Review recommendations. The Company does not maintain "key man" insurance for any of its senior management team. Additionally, the Company has employment and non-competition agreements in place with various members of its senior management team.

Business Strategy

The Company's growth through acquisition strategy was suspended given the Company's financial condition and ongoing Strategic Review. Rather the Company is looking to grow the business organically, expanding in to new market channels such as the marine sector and increasing profitability.

Multi-Year Contracts

CADRI has entered into a multi-year contract for the remanufacture of 53 VIA F40 locomotives. Multi-year contracts are complicated and create additional contract related risks for the Company. Under the multi-year contract, the Company is required to meet specific obligations throughout the course of the contract. Failure to meet these obligations subjects the Company to financial penalties. Financial risk can also result if the Company is unable to effectively manage production and material costs during the term of the contract. Management is continuously improving the Company's cost control measures to minimize the risk of unplanned production costs. Certain long-term contracts with government controlled entities, such as VIA, provide such entities with the right to terminate without cause. Such termination could result in significant negative impact to the Company, notwithstanding that Global has taken steps to mitigate the impact through its contracts with suppliers.

Performance Bonds

In the normal course of business, the Company provides indemnification commitments to customers in the form of annual performance bonds. These indemnification commitments generally require the Company to compensate the customers, upon demand, for costs or losses resulting from the Company's failure to fulfill its contractual obligations. The terms of these indemnification agreements vary based on the contract and generally do not exceed one year. There is a risk that the bonding companies may choose not to renew the performance bonds.

Competition

The Company is subject to competition from companies with a broader range of products, greater financial resources and larger marketing capabilities. There can be no assurance the Company will be able to continue to compete successfully with existing competitors or with new competitors. Management is aware of the competitors in its market and sees minimal new threats to the current customer base. While the Company's customers are cost conscious and have access to competitive products and services, Management's continued focus on safety, lean manufacturing, product quality and superior customer service has enabled the Company to successfully retain and grow its customer base.

Dependence Upon Customers

Demand for the Company's products depends primarily on the level of spending by the North American Class 1 freight railroads, passenger railroads and commuter systems. Success is directly related to the strength of the Company's relationships with, and the economic success of, a small number of its larger customers. Should the Company's relationships with any of its major customers become strained, or the profitability of those customers becomes negatively affected, profitability may be impacted. On the other hand, passenger railroads and commuter systems are favorably impacted by the current market conditions because of increased government investment in rail passenger transit.

Following the sale transactions, revenue from CADRI's largest locomotive customer was approximately 67% of the Company's 2010 revenues from continuing operations which is normal given the project nature on business the company bids on. CADRI is scheduled to deliver the last locomotive to the company's largest locomotive customer under the existing refurbishment contract Q4 2012.

Product Supply

The Company has been, and may continue to remain, reliant upon third party contractors to provide products and services. The Company is therefore exposed to risks associated with the skills, abilities, timeliness, and quality assurance standards utilized by these third parties. In the event that unsatisfactory services are rendered, the recourse available to the Company may be limited. Management is not aware of any events that could result in material supply deficiencies in the near future.

Proprietary Rights

The Company has limited registered proprietary rights pertaining to its products. Ability to protect its services or operations from replication by third parties is therefore limited.

Insurance

A defect in the products manufactured by the Company could result in serious personal injury or property damage. Although the Company carries a limited amount of liability insurance, it is not fully insured against such risks, nor are all such risks fully insurable.

Warranty Returns

Consistent with industry practice, the Company allows customers to return products for warranty repair or replacement. The Company provides allowances for anticipated returns, negotiates back-to-back supplier warranties and believes that its policies have resulted in the establishment of allowances that are adequate and reasonable based on specific product lines. However, there is no assurance that such product returns will not exceed such allowances in the future, and as a result, may have a material adverse effect on future operating results. Should any of the distributed products prove to be defective, the Company may be required to refund the price of or replace those specific products or all such products previously distributed. Replacement or recall of such products may cause significant expense and adversely affect the reputation of the Company and its products.

Limited Financial Resources

The financial resources of the Company are limited in relation to its competitors. The Company's ability to fully exploit available opportunities may be dependent upon its ability to obtain additional financing either by debt, equity or other means. There is no guarantee that additional funding would be available. As an example, given the existing conditions of the banking and credit markets, the Company's future plans regarding new bids for large contracts might be at risk as most of these contracts require large initial investments in working capital.

Fluctuating Exchange Rates

A portion of the Company's revenues and expenses are transacted in U.S. dollars and are subject to exchange rate fluctuations. Exchange rates are determined by market factors beyond the control of the Company and may vary substantially and have a material adverse impact on the financial results of operations. Due to limited financing further access to hedge contracts to protect against currency fluctuations is currently not available.

Implementation of accounting system at CADRI

The implementation of a new accounting system was completed for CADRI's general ledger, including accounts receivable and accounts payable. The implementation of this system is expected to address some of the weaknesses of the existing systems and controls; however, in order to fully address these weaknesses, CADRI must continue with the implementation of a fully integrated accounting and ERP system. Management expects that this new project will take approximately 18 months to implement.

Liquidity of Small Cap Stocks

The continuing economic uncertainty and financial market volatility make it challenging at times for investors to liquidate their investment in small cap companies. Generally, Global investors trade a minimal number of shares daily. In 2010, an average of about 1,300 Global shares was traded daily representing less than 1/100th of 1% of the Company's public float of outstanding common shares.

ITEM 4: DIVIDENDS

During the three most recently completed financial years, no dividends have been paid on the common shares and it is not expected that dividends will be paid on the common shares in the foreseeable future. The future payment of dividends will be dependent upon the Company's financial condition, financial requirements to fund future growth, and other factors the Board of Directors may consider appropriate in the circumstances. The Company is not aware of any restrictions that could prevent the paying of dividends.

ITEM 5: DESCRIPTION OF CAPITAL STRUCTURE

5.1 Authorized and Issued Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred redeemable shares. As at December 31, 2010, 15,247,400 common shares are issued and outstanding. No preferred shares have been issued.

5.2 Common Shares

The holders of the common shares are entitled to dividends as and when declared, to one vote per share at meetings of common shareholders and, upon liquidation, to receive assets as are distributable to the holders of the common shares after distributions to holders of preferred shares, if any.

5.3 Preferred Shares

Preferred shares may be issued in one or more series, each consisting of a number of preferred shares, as determined by the Board of Directors who also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of preferred shares. The preferred shares, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up or any other distribution of the assets, rank on a parity with the preferred shares of every other series and shall be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares.

ITEM 6: MARKET FOR SECURITIES

The Company's common shares trade on the Toronto Stock Exchange (TSX) under the trading symbol GBI.

6.1 Price Range and Trading Volume

The following table sets forth the reported high and low share prices and the trading volumes for each month in 2010:

Month	Price Range		Trading Volume
	HIGH	LOW	
DEC	1.25	1.20	250,531
NOV	1.39	1.05	378,977
OCT	1.36	1.26	382,615
SEP	1.40	1.30	156,092
AUG	1.41	1.30	566,130
JUL	1.45	0.83	789,850
JUN	0.84	0.72	81,757
MAY	0.85	0.71	296,662
APR	0.85	0.75	249,978
MAR	0.88	0.75	317,419
FEB	1.00	0.82	226,701
JAN	1.18	0.93	261,392

ITEM 7: DIRECTORS AND OFFICERS

7.1 Name, Address, Occupation and Security Holding

The following table sets forth the names, the states/provinces of residence, the positions held, and the principal occupations of each of the directors and executive officers:

Name, Municipality, Position, Classification, Date of Appointment	Principal Occupation And Positions During Last Five Years
Thomas Dea [1] Toronto, Ontario, Canada Chairman since July 2010 Director since May 2009	Mr. Dea is a founding partner of West Face Capital Inc., a Toronto-based institutional investor with over $1.5 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.

Name, Municipality, Position, Classification, Date of Appointment	Principal Occupation And Positions During Last Five Years
Laurie Bennett, CA [1] Toronto, Ontario, Canada Audit Committee Chairman since May 2009 Director since May 2009	Mr. Bennett is a Chartered Accountant with more than 27 years' partner experience prior to his retirement from Ernst & Young in 2004. Mr. Bennett has extensive public company experience and served as senior audit and coordinating partner for a number of significant clients who operated primarily in the manufacturing, mining and communication industries. Since his retirement, Mr. Bennett has served as Chairman of the Board of Directors for Exco Technologies Ltd., and was Chairman of the Audit Committee of the Board of Directors of Stelco Inc.
Jacques Coté [1] Montreal, Quebec, Canada Director since May 2009	Mr. Coté is a career railway executive having retired after 30 years of service with Canadian Pacific Railway. Following his retirement from CPR in 2001, Mr. Coté 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.
Alan Sellery Toronto, Ontario, Canada Director since May 2009	Mr. Sellery co-founded Ironbridge Equity Partners Inc. in September 2005. From 2003-2005, Mr. Sellery was a partner in the equity fund at EdgeStone Capital Partners Inc. From 1993-2002, Mr. Sellery led a series of portfolio companies primarily for private equity investors.
Fausto Levy Montreal, Quebec, Canada President and CEO since July 2010	Prior to his appointment as the Company's Acting President and CEO, Mr. Levy had been the President of CADRI (since November 2007). Mr. Levy has held executive management positions at Bombardier Rail, CN Rail, AMF Technotransport, and Newcourt Capital. Mr. Levy sits on the Board of several successful companies in the telecommunications, energy and machine manufacturing sectors in Canada.
Ross Corcoran, MBA Montreal, Quebec, Canada Vice President & CFO Since July 2010 and Corprate Secretary since March 2011	Prior to his appointment as the Company's CFO, Mr. Corcoran had been the Vice President, Finance at CADRI (since November 2009). Mr. Corcoran has more than fifteen years of senior management experience covering many sectors in the public and private domains. Most recently, Mr. Corcoran was CFO of a Canadian technology company.
Brian K. McMullan, CA [2] Toronto, Ontario, Canada Vice President since July 2010 Corporate Secretary since Sept. 2010	Mr. McMullan has been an officer of the Company since April 2007. Previously, Mr. McMullan was the Company's CFO (until July 2010) and prior to that, served as Vice President, Finance and Accounting with Canon Canada Inc.

Notes:
(1) Member of the Audit Committee
(2) Resigned as Vice President and Secretary March 2011

As at this date, the directors, executive officers and key employees of the Company, as a group, own beneficially, directly or indirectly, or exercise control or direction over 1,368,600 common shares or 9.0% of the issued and outstanding common shares.

Each director holds office until the next annual general meeting of shareholders or until a successor is elected or appointed.

7.2 Corporate Cease Trade Orders or Bankruptcies

During the past ten years, none of the directors, executive officers or shareholders holding a sufficient number of securities to materially affect the control, is or has been, a director or executive officer of any other company that while such person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied such company access to any exemption under securities legislation for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in such company being the subject of a cease trade or similar order or an order that denied such company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (c) within a year of that person ceasing to act in that capacity, such company became 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.

7.3 Penalties or Sanctions

None of the directors, executive officers or shareholders holding a sufficient number of securities to materially affect the control have been subject to (a) any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

7.4 Personal Bankruptcies

During the past ten years none of the directors, executive officers or shareholders holding a sufficient number of securities to materially affect the control, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the such director, executive officer or shareholder.

7.5 Conflict of Interest

Some of the directors and officers are or may be engaged in business activities on their own behalf and on behalf of other corporations and situations may arise where some of the directors may be in potential conflict of interest with the Company. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

ITEM 8: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company there are no material legal proceedings to which the Company is a party or to which their property is subject, and no such proceedings are contemplated.

ITEM 9: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any director, executive officer, or any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding common shares or any known associate or affiliate of such persons, in any transaction during the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Company or a subsidiary of the Company.

ITEM 10: TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada, through its principal offices at Calgary, Alberta, is the transfer agent and registrar for the common shares.

ITEM 11: MATERIAL CONTRACTS

The following is a summary of the Company's material contracts. This summary does not purport to be complete and is qualified in its entirety by reference to the full text of such agreements, which are available on the Company's SEDAR profile.

In December 2007, CADRI was awarded a $101.5 million contract, which has since been increased to $113.3 million, to remanufacture VIA Rail Canada's ("VIA") fleet of 53 F40 locomotives and additional work at its Lachine plant over a five year period. This contract award positions CADRI as the largest re-manufacturer of locomotives in Canada and as a major competitor in North America. The VIA fleet renewal program will see the full remanufacturing of their F40 locomotives, including several technological upgrades, and is expected to be completed by the end of 2012. The contract has a progress billing structure – with a 10% holdback on provisional acceptance of the remanufactured unit, which reduces to a 5% holdback on final acceptance of the unit. CADRI must provide a performance guarantee equal to the greater of (i) $5.0 million, and (ii) 50% of VIA's annual spending under this contract. The performance bond shall remain in full force throughout the entire term of the contract and until the expiry of the warranty on the last locomotive delivered to VIA. CADRI is required to indemnify VIA for all claims, damages, and liabilities. VIA can cancel the contract for non-performance or CADRI bankruptcy. VIA can terminate the contract anytime; a standard clause in government contracts. The ownership of any new processes, patents, etc., developed by CADRI while performing VIA services accrues to VIA. The contract calls for a two year parts and labour warranty on refurbished units, one year on repairs. In 2009, VIA agreed to advance CADRI $2.8 million towards 14 locomotives, eight of which were delivered in 2010 with five of the last six to be delivered in Q1 2011. As at December 31' 2010 CADRI has repaid $2.1 million of the $2.8 million advanced to it. During the fourth quarter of 2010, CADRI successfully delivered four locomotives to VIA, in accordance with the agreed upon delivery schedule. This represents a total of 15 locomotives delivered during 2010. These 2010 deliveries are in addition to the initial eight locomotives delivered during 2009. CADRI has now delivered a total of 23 of the 53 locomotives to be remanufactured under the VIA contract. A total of 16 locomotives have received Final Acceptance and seven additional locomotives have received Provisional Acceptance from VIA as at December 31, 2010.

In July 2010, the Company, CADRI and Bach signed an agreement to sell all of the outstanding shares of GBIH, the parent company of G&B, and all of the business and substantially all of the assets and liabilities of Bach to subsidiaries of Wabtec Corporation for approximately $48 million, subject to working capital adjustments. As a result of working capital deficiencies at G&B and Bach, the aggregate purchase price was reduced to approximately $46.5 million. Approximately $7.8 million of the proceeds of the sale were escrowed to cover indemnification claims made by Wabtec. Of this amount, $2.4 million of was released to the Company in the first quarter of 2011 and the majority of the remaining amount is scheduled to be released in the third quarter of 2011, assuming no indemnification claims are asserted. The Company also agreed to provide an additional indemnity to Wabtec for up to 50% of the purchase price with respect to certain specified categories of losses prior to the third anniversary of the sale to Wabtec; provided that, if the Company is sold to an unaffiliated entity (other than a 5% shareholder) or is liquidated and dissolved, the additional indemnity will expire on the later to occur of (i) the date of such sale or dissolution, and (ii) the first anniversary of the Wabtec sale.

ITEM 12: 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 "A" to this Annual Information Form.

12.1 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 1.5

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.

12.2 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 $1.5 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. 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.

12.3 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.

12.4 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, 2010 and 2009 were $513,000 and $525,000 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 Company's interim financial statements were $226,000 in 2010 and $128,000 in 2009.

12.5 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 $66,000 in 2010 and $77,000 in 2009, and relate to assistance with documentation of the Company’s internal controls over financial reporting, and reviewing the Company’s International Financial Reporting Standards project documentation.

12.6 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 Bach and GBIH in the financial years ended December 31, 2010 and 2009 were approximately $213,000 and $213,000, respectively.

ITEM 13: INTEREST OF EXPERTS

KPMG has audited our consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of earnings (loss) and comprehensive income (loss), shareholders’ equity and cash flows for the years ended December 31, 2010 and December 31, 2009, and for the period from January 1, 2010 to December 31, 2010. KPMG are independent in accordance with the Code of Ethics of l’Ordre des Comptables Agréés du Québec.

ITEM 14: ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of security holders that involved the election of directors. Additional information is also provided in the Management’s Discussion and Analysis for the most recently completed financial year.

SCHEDULE "A"

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 and the Chief Financial 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.