

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**  
**Section 7.1 of National Instrument 51-102**  
**Continuous Disclosure Obligations**

**ITEM 1: NAME AND ADDRESS OF REPORTING ISSUER**

Global Railway Industries Ltd. (the "Company")  
155 boul. Montreal-Toronto  
Lachine, QC  
H8S 1B4

**ITEM 2: DATE OF MATERIAL CHANGE**

July 13, 2011

**ITEM 3: NEWS RELEASE**

A press release was issued from Lachine, Quebec and disseminated by newswire, CNW Group, on July 13, 2011. A copy of the press release is attached hereto as Schedule A.

**ITEM 4: SUMMARY OF MATERIAL CHANGE**

On July 13, 2011, the Company announced that its wholly-owned subsidiary CAD Railway Industries Ltd. ("CADRI") has executed a contract for the refurbishment of railway passenger cars by Metrolinx, an agency of the Government of Ontario. The award of the contract to CADRI was previously announced on June 24, 2011.

**ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE**

On July 13, 2011, the Company announced that its wholly-owned subsidiary CADRI has executed a contract for the refurbishment of railway passenger cars by Metrolinx, an agency of the Government of Ontario. The award of the contract was previously announced on June 24, 2011 and followed a competitive tendering process.

The contract is valued at approximately Cdn.\$120.6 million and provides for the refurbishment of 127 bi-level railway passenger cars through March 2017. At Metrolinx's option, an additional 22 passenger cars may be included in the contract, subject to negotiation of satisfactory terms.

The contract has a progress billing structure, with a 10% holdback on each refurbished unit until 15 days following final acceptance of the unit. CADRI is required to provide a performance bond of Cdn.\$10.0 million, which must remain in place throughout the term of the contract. CADRI is required to indemnify Metrolinx for all claims, damages, and liabilities in connection with a breach of its representations and warranties, non-performance of the contract, risk of loss when units are off Metrolinx property, and property damage arising as a result of the willful or negligent acts or omissions of CADRI's employees and agents. The contract also provides for a two year warranty on parts and labour.

Metrolinx can terminate the contract at any time provided that CADRI is reimbursed for all direct costs of such termination, a standard clause in government contracts. Metrolinx can also cancel the contract for non-performance or bankruptcy, subject to a 10 business day cure period.

**ITEM 6: RELIANCE ON SUBSECTION 7.1(2) of NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7: OMITTED INFORMATION**

Not applicable.

**ITEM 8: EXECUTIVE OFFICER**

For additional information, please contact:

Ross Corcoran  
Vice President & CFO  
514-634-6224

**ITEM 9: DATE OF REPORT**

July 19, 2011.

## SCHEDULE A



Company: **Global Railway Industries Ltd.**  
Stock Symbol: **GBI**  
Listing: **Toronto Stock Exchange**  
Web Site: [www.globalrailway.com](http://www.globalrailway.com)

LACHINE, QC, July 13, 2011 /CNW/ - **Global Railway Industries Ltd. - (TSX: GBI):**

### **CAD Railway Industries Ltd. announces Signature and Execution of the Contract with Metrolinx**

**Lachine, Quebec – July 13, 2011 - Global Railway Industries Ltd., - (GBI:TSX):** Global Railway Industries Ltd., [www.globalrailway.com](http://www.globalrailway.com), ("Global" or the "Company"), announced that the Company's wholly-owned subsidiary CAD Railway Industries Ltd. ("CAD") announces the signature and the execution of the contract with Metrolinx, the Province of Ontario's regional transportation agency for the Greater Toronto and Hamilton Area, for the refurbishment of GO Transit railway passenger cars.

Global previously announced CAD's acceptance as the successful bidder for this long-term transit refurbishment contract. CAD has satisfied both the prequalification and formal tendering process including all contractual and financial requirements under the request for proposals.

Mr. Ross Corcoran, CFO of Global and on behalf of Fausto Levy, President and CEO of Global and CAD Railway Industries commented, "Our team is extremely pleased to conclude this tendering process with the signature and execution of this contract. We look forward to a fast kickoff to this project."

#### **Forward Looking Statements:**

*This news release contains certain forward-looking statements about the objectives, strategies, financial conditions, results of operations and businesses of Global. Statements that are not historical facts are forward-looking and are subject to important risks, uncertainties and assumptions. These statements are based on the Company's current expectations about its business and the markets in which it operates, and upon various estimates and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events if known or unknown risks, trends or uncertainties affect the Company's business, or if its estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that the circumstances described in any forward-looking statement will materialize. The Company disclaims any intention or obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason. Available on SEDAR at [www.sedar.com](http://www.sedar.com).*

**About Global Railway Industries:** Global Railway Industries Ltd. is a public company whose shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol "GBI". For more information: visit [www.globalrailway.com](http://www.globalrailway.com).

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