GLOBAL RAILWAY INDUSTRIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2007

The following is Management's Discussion and Analysis ("MD&A") of Global Railway Industries Ltd.'s (the "Company" or "Global") financial results of operations for the six month period ending June 30, 2007. This MD&A has been prepared as of August 13, 2007. Except where otherwise indicated, all financial information is expressed in Canadian dollars. No significant accounting policy or procedural changes were made in 2007; except as noted below. This discussion is intended to assist the reader in understanding the dynamics of the Company's business and the key factors underlying its financial results. This discussion should be read in conjunction with the Company's 2007 second quarter interim consolidated financial statements and the Company's annual financial statements and MD&A for the year ended December 31, 2006.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management prepared the financial statements for Global and is responsible for the integrity and fairness of the data presented therein. The accounting policies followed in the preparation of these financial statements conform to Canadian generally accepted accounting principles ("GAAP"). When alternative accounting methods exist, management chose those it deemed most appropriate in the circumstances. This MD&A has been prepared in accordance with the requirements of National Instrument 51-102 of the Canadian Securities Administrators.

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting. The Board of Directors, which is comprised of a majority of independent directors, acts to ensure that management fulfills its financial reporting and internal control responsibilities. In performing its duties, the Board of Directors acts only in an oversight capacity and necessarily relies on the work and assurances of the Company's management. In reliance on reviews and discussions with management, and in light of its roles and responsibilities, the Board of Directors has approved the Company's 2007 second quarter MD&A and interim consolidated financial statements.

Strategy

The Company's strategy is to consolidate and rationalize small and medium sized railway equipment suppliers to provide a one stop shopping service for its customers. Management continues to evaluate acquisition opportunities for complementary product lines and for products which can benefit from utilization of the Company's existing distribution and manufacturing operations. To maintain its position with each customer, Global supplies well designed, high quality, competitively priced products in a timely manner.

Performance Data

For the three month and six month periods ended June 30, 2007, with comparative figures for 2006:

	Three months 2007	Three months 2006	Six months 2007	Six months 2006
	(unaudited)		(unaudited)	
Sales	$ 9,215,968	$ 8,683,781	$ 18,709,013	$ 16,506,696
Net earnings (loss)				
Continuing operations	1,086,628	1,200,103	2,275,073	2,285,566
Discontinued operations	-	(106,865)	-	(523,085)
Net earnings for the period	$ 1,086,628	$ 1,093,238	$ 2,275,073	$ 1,762,481
Net earnings per share from continuing operations:				
Basic	$ 0.07	$ 0.08	$ 0.15	$ 0.15
Diluted	$ 0.07	$ 0.08	$ 0.15	$ 0.15
Net earnings per share:				
Basic	$ 0.07	$ 0.07	$ 0.15	$ 0.12
Diluted	$ 0.07	$ 0.07	$ 0.15	$ 0.12
Number of common shares outstanding:				
Basic	14,931,744	14,856,744	14,931,744	14,856,744
Diluted	15,149,430	14,917,989	15,149,430	14,917,989

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Significant Events in the Second Quarter of 2007

Global's three subsidiaries, G&B Specialties, Inc. ("G&B"), Bach-Simpson Corporation ("Bach"), and Prime Steel Inc. ("Prime") collectively delivered record sales, gross margins and pretax profits for the second quarter of 2007 and also for the six month period ended June 2007 measured in local currencies on a combined basis. This accomplishment emphasizes the ability of Global's subsidiary management teams to drive sales and capture their share of expanded capital spending by the North American Class 1 railroads.

The Canadian dollar strengthened by 8.4% against the United States dollar during the second quarter of 2007. The strengthening of the Canadian dollar resulted in unexpectedly high foreign exchange losses for the second quarter of 2007.

Sales

Global's sales are derived primarily from the sale of track switching components, event recorders with crash hardened memory modules, rail gear, freight car parts and boxcar doors through its three subsidiaries.. Sales originate predominantly in the United States of America and Canada; with less than 5% from other countries. Sales for the three month period ended June 30, 2007 were $9.2 million; an increase of 6.1% compared with the same quarter of 2006. Sales for the six month period ended June 30, 2007 were $18.7 million; an increase of 13.3% compared with the first six months of 2006. The sales growth for the second quarter of 2007 and the first six months of 2007 reflects continued strong demand in the railroad and transit markets served by the Company.

Approximately 87% of Global's sales are transacted in United States dollars. Therefore, fluctuations in the value of the Canadian dollar against the United States dollar affect Global's results when the United States dollar denominated sales and expenses are translated into Canadian dollars. A stronger Canadian dollar decreases Global's United States dollar denominated sales and expenses. It also decreases net income because there are more sales than expenses transacted in United States dollars.

The effect of the fluctuating value of the Canadian dollar against the United States dollar negatively impacted Global's 2007 second quarter sales growth; yet positively impacted overall sales growth for the first six months of 2007. Had the exchange rate remained constant year over year, 2007 second quarter sales would have increased by 7.3% compared with sales in the same period of 2006; and 2007 first six month's sales would have increased by 12.9% compared with sales of the same period in 2006.

Cost of Sales/Gross Margins

Gross margins for the second quarter of 2007 were 41.4%; compared with 39.3% for 2006. Gross margins for the first six months of 2007 were 41.6%; compared with 40.2% for the same period in 2006. The improvement for both periods is attributable to management's ongoing efforts to minimize low margin sales activity, improve productivity, increase utilization of capital equipment and strategic sourcing of manufacturing inputs. The subsidiaries have also made major strides towards improving safety. Safety related incidents in the first half of 2007 were 50% lower than the first half of 2006. Ultimately, improvements in safety lead to a better workplace environment for our employees and improved product quality and service reliability.

Operating Expenses

Salary expenses for the second quarter of 2007 were $232,000 higher than for the same period in 2006. During the second quarter of 2007, the Company incurred an expense of $193,000 related to non-cash stock-based compensation compared with $112,000 in the same quarter of 2006. Global's efforts to strengthen the management team by hiring a new COO (July 2006), CFO (April 2007) and G&B Controller (December 2006) have resulted in incremental salaries for the second quarter totaling $72,000. Regular merit increases and the addition of other production personnel account for the remainder of the increase.

Salary expenses for the six months ended June 30, 2007 were $543,000 higher than for the same period in 2006. During the first quarter of 2006, the Company benefited from an employment contract settlement which favourably affected its salary expense by $165,000 for the period. No similar favourable items were realized during the first six months of 2007. Year over year increases related to stock-based compensation and senior management additions totaled $94,000 and $183,000 respectively. Regular merit increases and the addition of other personnel account for the remainder of the increase for the first six months of 2007.

General and administrative expenses for the second quarter of 2007 were $359,000 higher than the same period in 2006; primarily the result of increased professional fees, Board of Directors fees, and other non-recurring corporate development costs incurred. Professional fees related to audits, quarterly financial statement reviews, legal and tax support were $160,000 higher in the second quarter of 2007 compared to the same quarter in 2006. Board of Directors stipends and meeting fees exceeded the comparative prior year amount by $65,000. The Company incurred $143,000 in non-recurring corporate development costs during the second quarter of 2007 compared to nil in the same period of 2006.

General and administrative expenses for the first six months of 2007 were $546,000 higher than the same period in 2006; primarily a result of increased professional fees, Board of Directors fees, and other non-recurring corporate development costs incurred. Professional fees related to Internal Controls Over Financial Reporting reviews, audits, quarterly financial statement reviews, legal and tax support were $361,000 in 2007 compared with $143,000 in the same period in 2006. Board of Directors fees for the first six months of 2007 totaled $174,000 compared to $60,000 in 2006. Non-recurring corporate development costs incurred during the first half of 2007 totaled $208,000 compared to nil in 2006. These non-recurring corporate development costs equate to a $0.01 reduction of in Global's first half earnings per share.

Interest Income/Expense

For the three month period ended June 30, 2007, net interest income was $161,000 compared with $15,000 in the 2006 second quarter. For the six month period ended June 30, 2007, net interest income was $219,000 higher than the same period in 2006. The Company repaid all of its outstanding bank debt in the first quarter of 2006 and has subsequently been in a net positive cash position. Included in second quarter interest income is royalty income of $70,000 relating to a YSD product line sold in 2006.

As at June 30, 2007, the Company had $8.1 million in cash which had been invested in interest bearing term deposits and bankers acceptances throughout most of the first half of 2007. The Company plans to continue to maximize interest income in 2007 by investing its cash resources. These monies will ultimately be used to fund, in whole or in part, acquisitions.

Income Tax

The 2007 second quarter effective tax rate on income earned from continuing operations was 22% compared with 32% for 2006. The 2007 first six month effective tax rate on income earned from continuing operations was 31% compared with 32% for 2006. The second quarter effective tax rate was reduced by the tax impact of a realized foreign exchange loss on the repayment of intercompany debt. The estimated effective tax rate on continuing operations for the remainder of 2007 is 38%.

Foreign Exchange

The Company incurred foreign exchange losses on net US dollar denominated assets amounting to $231,000 ($258,000 in foreign exchange losses in the first half) during the second quarter of 2007, compared with foreign exchange gains of $94,000 during the same period in 2006 ($67,000 in foreign exchange gains in the first half of 2006). Management does not anticipate similar levels of foreign exchange losses during the second half of 2007 due to stabilizing currencies and efforts to minimize net US denominated assets.

Net Earnings

Net earnings from continuing operations for the three month period ended June 30, 2007 were $1.1 million; compared with $1.2 million in the same period of 2006. Losses from discontinued operations during the second quarter were nil in 2007 and $0.1 million for the same three month period in 2006. The Company's net earnings for the period were $1.1 million compared with $1.1 million for the same quarter in 2006.

Net earnings from continuing operations for the six month period ended June 30, 2007 were $2.3 million; consistent with the $2.3 million achieved during the same period in 2006. Losses from discontinued operations during the first half of 2007 were nil and $0.5 million for the same six month period in 2006. The Company's net earnings for the six month period ended June 2007 were $2.3 million compared with $1.8 million for the same period in 2006; an increase of 29%.

Outlook

Capital spending by the major North American Class 1 railroads has risen by nearly sixty percent during the past four years. Increased customer demand for freight transportation will continue to exert pressure on current rail infrastructure capacity. In 2007, the major North American Class 1 railroads plan to spend a record US$9.4 billion for track, signaling, locomotives and equipment improvements. The American Association of State Highway and Transportation Officials estimate that as much as $195 billion in railroad investment is needed to carry projected rail-freight volumes by 2020. These investments will increase capacity and improve service for rail customers. It has recently been reported that North American Class 1 railroads are resisting pressure from shareholders to increase dividends and buy back shares and instead are standing by their commitments to capital spending for rail infrastructure. The Company is well positioned with its diverse range of products and services to benefit from the railroads' announced capital spending plans.

Financial Results – Continuing Operations

	Q2 '07	Q1 '07	Q4 '06	Q3 '06	Q2 '06	Q1 '06	Q4 '05	Q3 '05
Sales*	9,216	9,493	7,560	7,817	8,684	7,823	7,115	7,397
Net earnings*	1,087	1,188	738	604	1,200	1,085	(40)	503
EPS, Basic	0.07	0.08	0.05	0.04	0.08	0.07	(0.01)	0.03
EPS, Diluted	0.07	0.08	0.05	0.04	0.08	0.07	(0.01)	0.03

* Sales and Net Earnings are stated in thousands of dollars and are from continuing operations

The above table shows the financial performance of continuing operations for the last eight quarters.

Liquidity and Capital Resources

As of June 30, 2007, cash and cash equivalents on hand were $8.1 million compared with $7.0 million as at March 31, 2007 and $6.8 million as at December 31, 2006. In the second quarter of 2007, the Company generated additional cash from continuing operations in the amount of $1.1 million compared with $0.6 million in the second quarter of 2006. In the first half of 2007, the Company generated additional cash from continuing operations in the amount of $1.3 million compared with a cash outflow of $2.7 million during the first half of 2006. Management continues to work with its subsidiary management teams to focus on effective working capital management.

Management believes that adequate amounts of cash and cash equivalents are available in both the short and the long term to provide for ongoing operations and planned growth. Management is not aware of any trends or expected fluctuations in its cash flow that would create liquidity concerns or capital resource deficiencies.

Capital Expenditures

The Company's Board of Directors has approved a 2007 capital budget in the amount of $850,000 for machinery and equipment that will contribute to the overall efficiency and effectiveness of the Company's manufacturing processes and new accounting system. During the first half of 2007, the Company's capital expenditures totaled $272,000; including $86,000 for manufacturing equipment, $23,000 for furnishing the new corporate office in Rochester, and $59,000 for a common enterprise resource planning and accounting system. This system is already in place at G&B with more than five years of successful operation. The system is currently being implemented at corporate headquarters and Bach. It will enable management to generate consistent subsidiary reporting and facilitate financial consolidations of all subsidiaries at the corporate level.

The 2007 budget includes approximately $140,000 in capital and expense for the implementation in 2007. Management estimates an additional $50,000 will be expended in 2008.

Contractual Obligations

The Company has office and factory lease commitments at G&B, Prime and Bach. These commitments total $130,000 for the remainder of 2007, $260,000 in 2008 and $130,000 in 2009. Bach's premises lease expires at the end of 2008. Prime's facility is leased on a month-to-month basis. Management is confident that neither subsidiary will be negatively impacted by its upcoming lease negotiations.

The Company has not entered into any contractual obligations outside the normal course of business during the first half of 2007.

Share Capital

At June 30, 2007, the Company had 14,931,744 common shares outstanding. During the first half of 2007, none of the outstanding stock options were exercised, 50,000 additional options were granted in accordance with Global's Stock Option Plan, and 55,000 stock options were cancelled. If all of the outstanding options were exercised, Global would have 16,031,744 shares outstanding.

Subsequent Event

On July 30, 2007, the Company's Board of Directors approved a letter of intent with Canadian Allied Diesel Co. Ltd., CAD Railway Services Inc., Lachine Rail Centre Inc., Engine System Development Center Inc., and their respective shareholders (together "CAD") to acquire substantially all of the assets, liabilities and other intangible assets of CAD for cash consideration of approximately $22,000,000. The purchase is expected to close in September 2007.

Business Risks

The business and operational risks remain relatively unchanged from December 31, 2006. The Company's risks revolve around five primary areas, namely: customers, competitors, materials, business strategy and key personnel.

The Company depends largely upon sales to North American Class 1 railroads. As mentioned in the Outlook section of this MD&A, these customers are all forecasting increased spending in the markets the Company serves. Consequently, there is no foreseeable risk of decreased order rates.

Management is aware of the competitors in its market and sees no 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 product quality and superior customer service levels has enabled the Company to successfully grow its customer base.

Material (steel and iron) prices are expected to soften throughout the remainder of 2007 which should favourably impact profitability. G&B and Bach-Simpson enter into material contracts with selected suppliers to ensure a stable supply of raw materials. Management is not aware of any events that could result in material supply deficiencies in the near future.

The Company's business strategy includes the potential acquisition of businesses that would complement and expand existing product lines and services. Management may not be able to identify suitable acquisition opportunities or complete any particular acquisition, combination or other transaction on acceptable terms. In addition, the timing and success of management's efforts to acquire any particular business and integrate the acquired business into existing operations cannot be predicted. Acquisitions involve a number of risks and challenges, including; i) diversion of management's attention, ii) the need to integrate acquired operations, internal controls and operational functions, iii) potential loss of key employees and customers of the acquired businesses, iv) increased expenses and working capital requirements, and v) increased debt or dilution from issuance of additional common shares. Any of these factors could adversely affect the Company's ability to achieve anticipated benefits from an acquisition.

The Company's success is also dependent upon the attraction and retention of qualified personnel. The Company's executive management team is comprised of its President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The loss of the services of one or all members of the executive management team could have a material adverse effect on the Company's business, financial condition or results of operations. Because the executive management team has many years experience within the industry, or their individual fields of expertise, it would be difficult to replace them without adversely impacting the Company's operations. The Company does have employment and non-compete agreements in place with each member of its executive management team.

Critical Accounting Policies and Estimates

Management prepared the consolidated financial statements in accordance with Canadian GAAP. An understanding of the Company's accounting policies is necessary for a complete analysis of results, financial position, liquidity and trends. Refer to Note 1 in the 2007 second quarter interim consolidated financial statements for additional information regarding the Company's significant accounting policies. The consolidated financial statements are presented in Canadian dollars.

Financial statements prepared in accordance with Canadian GAAP require management to make estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Management regularly evaluates the assumptions and estimates that are used in the preparation of the Company's consolidated financial statements.

Estimates and assumptions used by management are based on past experience and other factors deemed reasonable in the circumstances. Since these estimates and assumptions involve varying degrees of judgment and uncertainty, the amounts reported in the financial statements could in the future prove to be inaccurate. Critical estimates include the following:

Stock-Based Compensation

The Company uses the fair value method for calculating stock-based compensation cost. Under this method, compensation cost attributable to stock options granted to employees and directors is measured at fair value using the Black-Scholes method to estimate fair value at the grant date and expensed over the vesting period, with a corresponding increase to contributed surplus. Upon the exercise of options, consideration received, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. While these estimates can have a material impact on the stock-based compensation expense and hence results of operations, there is no impact on the Company's financial condition.

Long-lived Assets

Estimates are also made related to the useful life of long-lived assets. These estimates are used to determine amortization expense. Estimates of an asset's useful life are based on past experience with similar assets taking into account technological or other changes. If these estimates prove inaccurate, management may have to shorten the anticipated useful life of the asset recorded in the financial statements. This could result in higher amortization expense in future periods or possibly an impairment charge to reflect the write-down in value of the asset.

Other than the normal estimates required in the application of Canadian GAAP there are no other critical estimates included in the consolidated financial statements.

Adoption of New Accounting Policies

In the first quarter of 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

(a) Section 1530 - Comprehensive Income, establishes standards for reporting and displaying comprehensive income. Comprehensive income is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

(b) Section 3251 - Equity, establishes standards for the presentation of equity and changes in equity during the reporting period.

(c) Section 3855 - Financial Instruments - Recognition and Measurement, establishes standards for recognizing and measuring financial instruments, namely financial assets, financial liabilities and derivatives.

(d) Section 3861 - Financial Instruments - Disclosure and Presentation, establishes standards for presentation of financial instruments, namely financial assets, financial liabilities and derivatives.

These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements.

Under these new standards, all financial instruments are required to be classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification.

The Company has implemented the following classifications:

(i) Cash and cash equivalents are classified as "Financial Assets Held for Trading". These financial assets are marked-to-market through net earnings at each period end.

(ii) Accounts receivable are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost.

(iii) Accounts payables and accrued liabilities are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost.

As a result of adopting Sections 1530 and 3251, the cumulative translation adjustment related to the Company's self-sustaining foreign operations has been reclassified for presentation purposes as accumulated other comprehensive loss on the interim consolidated statement of shareholders' equity.

The adoption of the standards of Sections 3855 and 3861 had no impact on the financial statements for the period ended June 30, 2007.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company, including its consolidated subsidiaries, is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. In connection with the Canadian Securities Administrators Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Findings". Management, including the CEO and the CFO, has concluded that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company. Certain weaknesses, however, have been identified. Although management is addressing these weaknesses, it does not expect that the Company's current disclosure controls and procedures will prevent all errors. A control system, no matter how well designed or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control Risks

The CEO and CFO of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The design of the Company's internal control over financial reporting was assessed as of June 30, 2007. The weaknesses in the Company's internal controls over financial reporting, discussed below, result in more than a remote likelihood that a material misstatement would not be prevented or detected. Management works to mitigate the risk of a material misstatement in financial reporting. However, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

Specifically, management identified areas of concern in:

1. Segregation of duties

   Segregation of duties and user access control deficiencies have been identified within the Company's accounting and finance departments and its financial information systems. Specifically, certain duties within the accounting and finance departments were not properly segregated due to the small number of individuals employed in these areas. The segregation of duties and access control deficiencies has not resulted in a misstatement to the financial statements. However, these deficiencies may be considered a material weakness resulting in a more-than remote likelihood that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected.

   In 2006, management implemented organizational structure and resourcing changes, including the hiring of an experienced Controller at G&B, with a view to enhance segregation of duties and user access controls and to better match skill sets to roles. Management is continuing this activity in 2007.

2. Reliance on spreadsheets

   Accounting personnel rely heavily on the use of accounting spreadsheets to generate its monthly, quarterly, and annual financial reports. Although this reliance has not resulted in a misstatement of the financial statements, it is a material weakness in the Company's control environment because of the pervasiveness and significance of the deficiencies. As mentioned in the Capital Expenditures section of this MD&A, management is planning the implementation of a company-wide accounting system to be utilized for financial consolidation in place of extensive spreadsheet use.

   Management plans to improve the segregation of duties as part of the company-wide accounting system implementation.

3. Complex and non-routine transactions

   As required, the Company records complex and non-routine transactions. Sometimes, these transactions are extremely technical in nature and require an in-depth understanding of Canadian GAAP and Canadian tax regulations. The Company's accounting staff has only a fair and reasonable knowledge of the rules related to Canadian GAAP, tax regulations and reporting. Consequently, the transaction may not be recorded correctly, potentially resulting in material misstatement of the financial statements of the Company. To address this risk, the Company consults with its third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, quarterly reviews of the financial statements are completed by the Company's auditors, and an annual audit is completed and presented to the Audit Committee for its review and approval. As the Company achieves future growth, the Company plans to expand the technical competence of the individuals involved in the accounting function. For example, on April 2, 2007, the Company appointed a new Chief Financial Officer who brings extensive experience and background in Canadian generally accepted accounting principles and Canadian tax regulations.

4. Corporate Governance

In May 2007, Terry McManaman, the Company's President and CEO, was appointed to the position of Chairman of the Board of Directors. As Chairman of the Board, Mr. McManaman will also retain his President and CEO responsibilities. To avoid any potential conflicts of interest, the Company's Corporate Governance Committee mandated that all decisions not in the ordinary course of business must be reviewed with and approved by the Company's Lead Director- Phil Ogden.

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 Annual report of December 31, 2006 and the 2006 Annual Information Form for a discussion of risk factors including among others technology, competitive and regulatory changes.

For additional guidance, please review the 2006 Annual Report and continuous disclosure materials available through the Sedar website at www.sedar.com.

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DIRECTORS

Terry McManaman, CA
Chairman of the Board

Phillip Ogden
Lead Director
Chair, Compensation Committee

John Hagg

Dave Horbay, P.Eng
Chair, Corporate Governance Committee

James Renner, P.Eng

Tim Sanderson

Garry Zurowski, CA
Chair, Audit Committee

OFFICERS

Terry McManaman, CA
President & Chief Executive Officer

Brian McMullan, CA
Chief Financial Officer

Bill Sturtz, MBA
Chief Operating Officer

Greg Peterson, LLB
Corporate Secretary

CORPORATE OFFICE

Global Railway Industries Ltd.
1160 K
Pittsford-Victor Road
Rochester, NY, 14534
Phone (585) 419-9720
Fax (585) 385-6790
Email info@globalrailway.com
Website: www.globalrailway.com

BANKERS
HSBC
Rochester, NY

AUDITORS
KPMG LLP
London, Ontario

LEGAL COUNSEL
Gowling Lafleur Henderson LLP
Calgary, Alberta

TRANSFER AGENT
Computershare Trust Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Phone 1-800-564-6253

INVESTOR RELATIONS
Gerry Wimmer
Investorfile.com
416-360-8895
1-888-894-8222
gwimmer@investorfile.com

STOCK EXCHANGE
Toronto Stock Exchange
Symbol: GBI

www.globalrailway.com