FORM 27

MATERIAL CHANGE REPORT

ITEM 1 Reporting Issuer:

Global Railway Industries Ltd.
12, 611 – 10 Avenue SW
Calgary, Alberta T2R 0B2

ITEM 2 Date of Material Change:

April 29, 2003

ITEM 3 News Release:

A news release was issued on May 1, 2003.

ITEM 4 Summary of Material Change:

On April 29, 2003, Global Railway Industries Ltd. ("Global") closed the acquisition of all the issued and outstanding shares of G & B Specialties, Inc. ("G&B") by its wholly-owned subsidiary, Transportation Technologies Inc. ("TTI"), for a purchase price of $7 million (subject to adjustment of up to $1 million if substantially all of the assets of G&B are sold or if Global sells more than 50% of the shares within two years of the closing). Further funds are payable to the shareholders under consulting agreements entered into in conjunction with the closing.

ITEM 5 Full Description of Material Change:

TTI, a wholly-owned subsidiary of Global, entered into an agreement with G&B and its five shareholders, whereby TTI has purchased all 133 of the issued and outstanding shares of G&B from the shareholders for a purchase price of $7 million USD (the "Share Purchase Agreement"). In addition to the purchase price, the shareholders may be paid up to $1 million USD in the event that TTI sells: all or a substantial portion of the assets of G&B to any arm's length party or greater than 50% of the outstanding shares of G&B within two years of the closing of the acquisition. No shares of TTI or Global were issued in connection with the acquisition.

TTI, as sole shareholder of G&B, has entered into consulting agreements with each of the five shareholders for an aggregate consideration valued at approximately 2.5 million USD to be paid over three years. Global shall guarantee the obligations of G&B under these consulting agreements.

G&B manufactures quality forgings, precision machined parts and fabrications for the railroad industry, and supplies such products across North America. G&B is located in Berwick, Pennsylvania and is dealing at arm's length to Global.

In order to complete this acquisition, TTI will be required to borrow the funds from Global. Global funded the transaction with approximately $4.8 million USD of proceeds from an equity issue previously announced on March 28, 2003 and $2.2 million USD of senior debt from a senior Canadian bank.

ITEM 6 Filing on a Confidential Basis:

Not applicable

ITEM 7 Omitted Information:

None

ITEM 8 Senior Officers:

Michael Kohut, President
Fax: (403) 262-6563, Phone: (403) 262-6501

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta this 8th day of May, 2003.

GLOBAL RAILWAY INDUSTRIES LTD.

Per: *(signed)* "*Greg E. Peterson*"
Greg Peterson, Corporate Secretary

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