2026 01G 6379

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION

BETWEEN:	**J.M.J. HOLDINGS LTD.**	**PLAINTIFF**
AND:	**HIS MAJESTY THE KING IN RIGHT OF NEWFOUNDLAND AND LABRADOR, AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**	**DEFENDANT**

STATEMENT OF CLAIM

A. THE PARTIES:

1. The Plaintiff, J.M.J. Holdings Ltd. ("**JMJ**"), is a body corporate incorporated under the laws of Newfoundland and Labrador, with its registered office at Suite 201, 1243 Kenmount Road, Paradise, Newfoundland and Labrador, A1L 0V8. JMJ carries on business as a general contractor and has done so for more than twenty years.

2. The Defendant, His Majesty the King in Right of Newfoundland and Labrador (the "**Province**"), is named in accordance with the *Proceedings Against the Crown Act*, RSNL 1990, c P-26. At all material times the Province acted through the Department of Transportation and Infrastructure ("**TI**") and its Minister, Deputy Minister, Assistant Deputy Minister, project managers, site inspectors, officers, employees and agents, for whose acts and omissions the Province is liable.

3. At all material times the Province retained consultants, including Gibbons Snow Architects Inc. ("**Gibbons snow**") as prime consultant (retained on 11 January 2023 under contract CONS14236, following a request for proposals issued in October 2022 under the same project number as the Tender, which attached the August 2022 hazardous materials assessment pleaded below and required the consultant to complete a full on-site investigation of the existing building to determine the demolition and upgrade requirements) and Jewer Bailey Consultants ULC ("**JBC**") as structural consultant, to assess the building and site and to design the project described below. Their reports, drawings and specifications were issued to bidders and to JMJ by the Province as the Province's own documents, and the Province is responsible for them. The Province also

engaged Englobe Corp. ("**Englobe**"), its standing-offer environmental consultant, to sample and test materials at the site during the Work.

B. OVERVIEW:

4. This action arises from the Province's cancellation, announced on 3 June 2026 and confirmed in writing on 4 June 2026, of a contract under which JMJ was to redevelop the Martin Gallant Building at Stephenville Crossing, Newfoundland and Labrador, for a contract price of $28,612,049.00 plus HST.

5. The Province tendered the redevelopment of an existing building that it owned, that it had assessed, and whose condition it knew or ought to have known. It told JMJ before work began that the known hazardous materials had been removed. They had not. The Province withheld from JMJ for seven months a hazardous materials assessment in its possession that identified lead-containing paint on the very surfaces JMJ and its subcontractors were cutting, grinding and sanding. When the Province finally disclosed it, the site shut down for the better part of two months. The Province's own project manager later confirmed in writing that the assessment had not been provided to JMJ.

6. From the first months of the project the Province's administration of the Contract was marked by delay in reviewing and approving changes, by inspection staff whose conduct toward JMJ's personnel and subcontractors was unsafe and improper, by disputes over the structural condition of the existing building, and by progress payments that fell some ten million dollars short of JMJ's forecast through no fault of JMJ. The Province took months to approve JMJs standby claims for February, March, and April 2026. In May 2026 the Province assured JMJ that it had a solid team in place to move the project forward.

7. Within days of giving that assurance the Province had decided to cancel the Contract. It told JMJ of its intention to cancel in a ten-minute "courtesy call", announced the cancellation publicly the same day in terms that reflected negatively on JMJ, and has never identified any provision of the Contract under which it acted. The Contract permits the Province to terminate only for JMJ's insolvency or for an uncorrected default after written notice. There was neither. Four months later the Province announced that the building would be demolished because of contaminated soil, lead paint and structural deficiencies, every one of which pre-existed the Contract and was known or ought to have known by the Province.

8. JMJ claims damages for the wrongful cancellation and repudiation of the Contract, for the delay and disruption the Province caused before it, for the Province's misrepresentation of the condition of the building, and for the Province's release of JMJ's confidential commercial information. JMJ also claims payment for work performed, and indemnity for the claims and liens of the subcontractors and suppliers left unpaid when the Province walked away from the project.

C. THE TENDER AND AWARD:

9. The Martin Gallant Building is a provincially owned building at Stephenville Crossing, Newfoundland and Labrador, comprising more than one structure, including the structure referred to in the Contract Documents as Building B. The Province planned to redevelop it as a provincial courthouse and government service centre, with office areas and TI maintenance shops (the "**Project**").

10. On or about 31 October 2024 the Province published an Invitation to Tender for the Project, numbered 402205001-15648 (the "**Tender**"), with a specification and drawings prepared by Gibbons Snow. and its sub-consultants (the "**Specification**"). A non-mandatory site visit was held on 11 December 2024. Sixteen amendments were issued during the tender period. The Tender closed, as amended, on 10 February 2025.

11. The Specification, drawings and amendments issued with the Tender were prepared by or for the Province and described the existing building, the demolition required, and the hazardous materials abatement included in the Work. The Specification issued with the Tender did not include any hazardous building materials assessment of the building, and the Tender documents did not disclose that the Province held one. Nor did the Specification include any section for the abatement of lead-containing paint, notwithstanding the Province's standard specification for that work provides for reports on lead-based paint to be bound into the specification, and although the Province had attached the assessment to its tender of January 2023 for the earlier demolition contract for the building.

12. By the Tender documents, and at the pre-construction meeting, the Province represented to JMJ that (together, the "**Building Condition Representations**"):

(a) the information issued with the Tender was a complete and reliable description of the hazardous materials present in the building, and the Province knew of nothing that rendered it inaccurate or incomplete;

(b) the hazardous materials identified in the building had been abated or removed before the Work began, except to the extent the Specification expressly included abatement in the Work;

(c) the existing structure was in a condition that permitted the redevelopment to be carried out as designed; and

(d) the demolition drawings accurately depicted the existing construction, including the existing insulation and foundations.

13. The Province knew and intended that bidders would rely on the Building Condition Representations in pricing the Work. Bidders had no reasonable opportunity to carry out their own hazardous materials survey or structural investigation of an existing provincial building during the tender period.

14. JMJ relied on the Building Condition Representations. On 10 February 2025 JMJ submitted a bid of $28,612,049.00 plus HST (the "**Bid**"), which was the lowest of the two bids received.

15. On submission of the Bid a contract arose between JMJ and the Province governing the tender process ("**Contract A**"), on the terms of the Instructions to Bidders and the other Tender documents. It was an express or implied term of Contract A that the Province would conduct the tender process fairly and in good faith and would disclose to bidders, and not withhold, information in its possession that materially affected the nature, cost or feasibility of the Work.

16. By letter dated 20 May 2025 the Province accepted the Bid and awarded the Contract to JMJ. Before doing so the Province twice asked JMJ to extend the period during which its Bid was irrevocable, first from 11 April to 30 April 2025 and then to 30 May 2025, and JMJ agreed each time.

D. THE CONTRACT:

17. On the Province's written acceptance of the Bid on 20 May 2025 JMJ became the Contractor, and a contract arose between JMJ and the Province in accordance with section

16(b) of the Instructions to Bidders. The parties' Agreement Between Owner and Contractor is dated 20 May 2025 and was executed by JMJ on 5 August 2025 and by the Province through the Assistant Deputy Minister of TI (the "**Agreement**", and together with the documents incorporated in it, the "**Contract**").

18. Under the Contract:

(a) JMJ agreed to perform all of the Work required by the Contract Documents for the Project (Article 1 of the Agreement);

(b) the Province agreed to pay JMJ $28,612,049.00 plus HST, subject to adjustment in accordance with the General Conditions (Article 3 of the Agreement);

(c) JMJ was to commence the Work by 20 May 2025 and substantially perform it by 20 May 2027 (Article 1(c) of the Agreement);

(d) the Contract Documents included the Instructions to Bidders, the Bid, the General Conditions of Contract (the "**General Conditions**" or "**GC**"), the Supplementary General Conditions, the Specification, the drawings and the sixteen amendments issued during the Tender; and

(e) JMJ was to provide, and did provide, a performance bond and a labour and material payment bond each in the amount of fifty percent of the Contract Price ($14,306,024.50), dated 21 May 2025 and issued by Tokio Marine Canada Ltd. as bond no. TTMC2860008.

19. The General Conditions provide, among other things, that:

(a) additional instructions will be issued by the Owner with reasonable promptness (GC 3.4);

(b) if the Contractor is delayed in the performance of the Work by any act or fault of the Owner, the Contract Time shall be extended and the Contractor shall be reimbursed for the costs incurred as a result of the delay (GC 8.1), and if the Contractor is delayed by a stop work order of a public authority not issued as a result of the Contractor's fault, the Contract Time shall be extended and the Contractor reimbursed for its on-site costs (GC 8.2);

(c) the Owner may terminate the Contract only if the Contractor is adjudged bankrupt, makes a general assignment for the benefit of creditors or has a receiver appointed (GC 10.1), or if the Owner has given the Contractor written notice that it is in default, instructing it to correct the default within five working days, and the Contractor has failed to correct it (GC 10.2 to 10.4);

(d) where the Contract is brought to an end by the Owner's default, the Contractor is entitled to be paid for all Work performed and for any loss sustained upon products and plant supplied, with reasonable overhead, profit and damages (GC 11.4);

(e) the Owner has authority in an emergency to stop the Work, and where work is performed under the Owner's direct order the Contractor keeps its right to claim the value of that work (GC 15.1);

(f) the Owner may make changes by altering, adding to or deducting from the Work, with the Contract Price and the Contract Time being adjusted accordingly (GC 18.1), changes are to be valued under GC 19, and both parties are to act promptly in all matters concerning changes (GC 19.8);

(g) the Owner is to certify applications for payment within ten days and pay within twenty-one days of certification (GC 21.1 and 21.2), interest at 2% per annum is payable on certified amounts unpaid more than sixty days (GC 21.3), the Owner is to retain a holdback of 10% (GC 21.12), and interest under GC 21 applies to amounts due under the Contract or under any award of a court (Article 4(b) of the Agreement);

(h) the Contractor is responsible for damage to the Owner's property arising from its operations, except damage which occurs as the result of errors in the Contract Documents or acts or omissions of the Owner or its agents or employees (GC 28.2);

(i) if either party suffers damage because of any wrongful act or neglect of the other, it shall be reimbursed by the other party for such damages (GC 29.1);

(j) the Contractor shall not be held liable for any damage resulting from errors, inconsistencies or omissions in the Contract Documents (GC 32.4);

(k) allegations of workplace violence and harassment perpetrated against employees of TI are to be investigated and addressed under TI's Workplace Violence and

Harassment Prevention Program, by which the Contractor agrees to be bound (GC 34.4); and

(l) if the subsurface conditions at the site differ materially from those indicated in the Contract Documents or represented by the Owner before the close of the Tender, the Owner is, after prompt investigation, to issue appropriate instructions for changes in the Work under GC 18 (GC 35.1 and 35.2).

20. The Contract contains no provision permitting the Province to terminate it, or to suspend or abandon the Work, for the Province's convenience. GC 18.1 permits changes to the Work with a corresponding adjustment of the Contract Price and Contract Time; it does not permit the Province to delete the whole of the Work.

21. It was also an express or implied term of the Contract that the Province would provide JMJ with accurate and complete information in its possession concerning the building and site, including the presence of hazardous materials; would provide a safe premises on which the Work could be performed; would administer the Contract, including the review and approval of changes and the certification and payment of progress claims, with reasonable promptness; would ensure that its own representatives on site conducted themselves lawfully and did not interfere with or endanger the Work; would not hinder or prevent JMJ's performance; and would perform the Contract honestly and in good faith, exercising any discretion under it reasonably and for the purposes for which it was conferred.

22. In reliance on the Contract JMJ delivered the required bonds and insurance, mobilized to Stephenville Crossing, engaged site supervision and a dedicated site safety officer as Section 01 35 29.06 of the Specification required, and awarded subcontracts and supply agreements for the Work, including for site work and excavation, structural steel supply and erection, masonry, roofing, curtain wall and glazing, interior systems, mechanical work, electrical work, fire suppression, flooring and fencing, under subcontracts numbered in the N-147 series. The Province knew that JMJ was doing so.

E. PERFORMANCE OF THE CONTRACT:

(1) Hazardous materials:

23. At the pre-construction meeting on 3 June 2025 the Province, through its project manager, advised JMJ that the known hazardous materials had been removed from the building before the Work. The minutes of that meeting record, at item 1.18, that "All known

hazardous materials were removed prior to this project", and that if any material suspected to contain hazardous materials was uncovered the project manager was to be advised to arrange testing. The Province's project manager later confirmed in writing that it had been explained at that meeting "that there was a project completed before this one to remove the known hazardous materials". JMJ planned and began the Work on that understanding. JMJ mobilized to the site on or about 30 June 2025.

24. At all material times the Province had in its possession a hazardous materials assessment of the building prepared for TI by All-Tech Environmental Services Limited and dated 3 August 2022, which found lead above the provincial guideline of 600 mg/kg in three of the seven paint samples taken, including the white paint on the exterior concrete foundation and the grey paint on the concrete floors, and recommended that all of that paint be removed by an external contractor before any demolition or renovation, with enclosure, HEPA filtration, decontamination and respiratory protection.

25. The Province had given that assessment, as Appendix B to its request for proposals of October 2022, to the consultants who proposed to design the Project, and had attached it to the tender documents for an earlier and separate contract for the building, published on 24 January 2023 as "Selective Interior Demolition - Martin Gallant Building" (project 402205001-14348, titled "Partial Building Demolition" in its specification), whose summary of work required the contractor to "Remove and properly dispose of all hazardous materials identified in the Aug. 2022 Hazardous Materials Assessment attached". JMJ did not bid on that tender. The Province awarded that contract on 7 March 2023 to Tech Construction (2012) Ltd., and its construction manager for that contract was the same project manager who advised JMJ at the pre-construction meeting that the known hazardous materials had been removed.

26. The Province did not provide that assessment to JMJ with the Tender, at the pre-construction meeting or at any time before 27 January 2026. As late as 13 November 2025 the Province's project manager wrote to JMJ that the Province "will provide the 2022 Hazmat for reference", and that painted concrete removed from the site "was previously analyzed for lead". On 11 February 2026, when JMJ asked whether the assessment had been provided at the time of tender or at any time before, the Province's project manager replied: "This report wasn't provided previously".

27. Between June 2025 and January 2026, in the ordinary course of the Work and in reliance on the Building Condition Representations and the Province's advice at the pre-construction meeting, JMJ and its subcontractors cut, broke up and removed painted concrete floor slabs and performed extensive exterior wall work that disturbed the white exterior paint, including cutting, grinding and sanding, without the respiratory protection, containment and hygiene measures that lead-containing paint requires. Testing by Englobe in February 2026 also found lead in painted interior surfaces, including interior masonry walls at levels above exposure guidelines and painted ceilings to which JMJ's mechanical subcontractor was to fix ductwork and conduit.

28. In September 2025, during concrete removal in the northeast corner of Building B, materials later identified as asbestos-containing were uncovered. The Province's site inspector removed those materials from the site himself after hours on or about 17 September 2025, in a garbage bag in his own vehicle, and no disposal record was provided to JMJ despite request.

29. On 26 January 2026 the Province advised JMJ that "there is lead in the paint on some areas of the concrete floors", that Englobe would sample them that day, and that JMJ should stockpile the concrete on site and use proper handling techniques pending the results. On 27 January 2026 the Province's project manager acknowledged that the Province's earlier project to remove hazardous materials had not removed that paint ("we didn't realize that this paint wasn't removed"), advised that additional verification testing was required, provided JMJ for the first time with the August 2022 hazardous materials assessment, which she described as showing "more recent/stringent requirements", and advised that additional painted surfaces would be tested. JMJ immediately placed a hold on all work that could disturb the affected surfaces, effective 28 January 2026, pending the results of testing by Englobe and written direction from the Province.

30. JMJ's subcontractors declined to continue work that could disturb the paint until the results were received. On 29 January 2026 JMJ gave the Province written notice that proceeding under its direction was a change to the demolition scope, the removal of hazardous materials being excluded from that scope by Section 02 41 19.16 of the Specification. On 2 February 2026 the Province advised JMJ that lead testing had begun on all painted areas in Buildings A and B, and asked JMJ and its subcontractors for their standby rates while they awaited direction.

31. By letter dated 11 February 2026 JMJ gave the Province formal written notice of the work stoppage, requested written direction on the required abatement approach and on the party responsible for arranging environmental consultant and registered abatement contractor services, and required an explanation of why the assessment had not been provided to JMJ earlier.

32. The site was shut down from 28 January to 24 March 2026 while the testing was carried out and direction awaited. JMJ arranged and paid for blood lead level testing for its own and its subcontractors' workers who had been on site, prepared and distributed exposure control procedures, and incurred the costs of standby, demobilization and remobilization. When Service NL's occupational health and safety officer inspected the site on 11 February 2026, he recorded that the work was waiting on the results of the lead testing and on a decision on how to proceed. Some of JMJ's subcontractors' employees retained counsel in respect of their exposure.

33. The Province paid JMJ's standby costs for February 2026 and for March 2026 to 24 March by Change Orders No. 7 and No. 8, issued on 11 and 15 May 2026, and recognized lead-related safe work measures for particular demolition items in Change Orders No. 5 and 6, issued on 10 March 2026. The Province requested exposure control measures as a change to the Work (JMJ change N147-CM-012) but did not issue a change order for them, for the blood lead level testing, or for JMJ's other costs of the shutdown.

(2) The structural condition of Building B:

34. In September 2025 JMJ's excavation subcontractor identified instability in the existing concrete block walls of Building B, including on 3 September 2025, when blocks fell from the corridor wall while the floor slab was being saw-cut. On 18 September 2025, after a site visit the day before, Strum Consulting ("Strum"), professional engineers retained by JMJ, reported that the corridor floor slab was unreinforced and built on uncompacted fill, that the walls were cracked and not designed as structural walls, and that the safest approach was to remove them before excavating. On 10 and 15 October 2025, after JBC had taken the position in a draft report that the walls could be supported, Strum reported that temporary support of the walls was not possible consistently with a safe excavation and would cost in the order of $1,250,000.

35. On 13 October 2025 the crew of JMJ's excavation subcontractor exercised its right under the Occupational Health and Safety Act to refuse to work in Building B because of the deteriorating condition of the walls. The refusal was investigated on site by the site occupational health and safety representative and JMJ's supervisors, and was reported to the provincial occupational health and safety officer, who referred JMJ to the Province's own contractor safety staff. By 16 October 2025 the Province's project manager recorded that Building B was taped off and that no one was working in it until the safety concerns were addressed.

36. The Province's representatives maintained that there was no safety issue, entered the restricted area after the refusal of work was in effect, characterized the refusal as an attempt by JMJ to obtain additional payment, and expressed displeasure that occupational health and safety officers had been contacted. The Province did not issue timely instructions to resolve the structural condition, and the affected work was delayed as a result.

37. On 10 October 2025 the Province instead required JMJ to provide an engineered plan to support the walls under Section 02 41 19.13 of the Specification. On 11 October 2025 JMJ established a hold point and asked the Province for written direction to remove the walls and for a contemplated change notice, and on 16 October 2025 it proposed that the disagreement between the engineers be resolved through a third party. The Province did not give that direction until 10 March 2026, when it issued Change Order No. 5 for the removal of the corridor block walls, with a credit for the shoring it had earlier required.

38. In the course of the Work JMJ identified that the demolition drawings and the Contract Documents did not accurately depict the existing construction, including the existing foundation insulation and the condition of the existing foundations. The Province declined JMJ's change request for foundation insulation, RCO 07, on 5 May 2026, relying on a chain of drawing references through drawings A302, A320 and A321.

39. Drawings A320 and A321 were not included in the Tender or in Addendum No. 3 issued on 29 November 2024, and were first issued in the Issued for Construction set dated 21 February 2025, after the Tender had closed. No drawing numbered A302 was issued with the Tender. On 8 May 2026 the Province acknowledged that one of two drawings issued as A301 should have been numbered A302, and stated that it was reviewing the tender drawings. Existing elements not shown in the Contract Documents, including some

eighteen sonotube footings below the slab and sections of footing not identified for demolition, had to be removed as changes to the Work (Change Order No. 6).

40. In April and May 2026, while trenching in Building B for new plumbing, JMJ's excavation subcontractor removed existing buried piping from which oily sludge had spilled into the surrounding soil, and Englobe sampled that soil and the excavated stockpiles on 6 May 2026. On 19 May 2026 the Province advised JMJ that Englobe's testing showed that all of the soil tested required remediation, that the trench soil was heavily contaminated with petroleum hydrocarbons from sludge in the existing piping, that one stockpile contained elevated lead, and that the hydraulic oil in an existing in-ground vehicle hoist might contain polychlorinated biphenyls. The Province agreed that the remediation was to be done by change order, with the Province to pay for the environmental consultant and testing. JMJ the same day established a restricted zone, suspended or relocated unrelated work, and asked the Province for direction.

41. On 28 May 2026, during an inspection of Building B conducted jointly with the Province's project coordinator, JMJ identified buried piping emitting hydrocarbon odour and staining beneath the existing concrete slab, indicating contamination of the soil beneath the building. JMJ secured the area and reported the condition to the Province. Hydrocarbon-impacted material at the oil interceptor pits and floor drains had been the subject of JMJ's request for information No. 34 since at least November 2025, and the Province had still not given direction on it in May 2026. The Province had not given direction on the remediation, or issued a change order for it, when it cancelled the Contract.

(3) Conduct of the Province's site representatives:

42. From July 2025 the Province's site inspection staff, including its project coordinator and its mechanical inspector, engaged in conduct on the site that was unsafe, that breached JMJ's site safety procedures and the Province's own program, and that interfered with the Work, including:

    (a) repeatedly entering restricted and taped-off areas, open excavations and the working radius of operating heavy equipment, including in July 2025, when the Province's project coordinator walked behind an excavator that was removing block and approached the operator's door while the machine was in motion; in September or October 2025, when he entered a trench while an excavator was

loading, so that the operator narrowly avoided striking him; and on 9 April 2026, when he stepped into an open excavation inside a barricaded work area and injured his ankle;

(b) stopping and questioning JMJ's and its subcontractors' workers directly, contrary to site protocol, and causing delay to their work;

(c) sending inappropriate photographs of himself to JMJ's female site safety officer and engaging in unwelcome conduct toward female workers, as a result of which the site safety officer resigned within days and JMJ was obliged to subcontract the dedicated safety representative role at additional cost for the balance of the Contract;

(d) on 27 September 2025, during a site discussion with JMJ's site supervisor and its subcontractor's project manager, making a sexual gesture and harassing remark about the owner of that subcontractor (as the subcontractor's project manager recorded in a signed statement on 30 September 2025), which JMJ reported in writing to the Province on 1 October 2025;

(e) on 16 April 2026, attending site in a confrontational manner, resisting sign-in, hazard assessment and escorted access requirements, seeking to alter specified testing procedures, and disrupting the inspection and testing scheduled for that day, including by requiring a change to the stand pipe used for the test that neither the Specification nor the plumbing code required, and then leaving the site without witnessing the test; and

(f) declining to raise safety concerns on site when observed, advising instead that JMJ would see them in inspection reports, including on 16 April 2026, when an inspector told JMJ's site safety advisor that he would see the concern "on his report and the security cameras".

43. JMJ reported this conduct to the Province's project manager and to TI's regional management as it occurred, including by written incident report on 1 October 2025 and by written documentation on 17 April 2026, and at a meeting with the Assistant Deputy Minister and TI's occupational health and safety and contractor safety staff on 23 April 2026. The Province's response to JMJ's incident report of 1 October 2025 was that JMJ should escalate the matter at its own discretion. Shortly after JMJ provided written

documentation of its representatives' conduct in April 2026 the Province replaced its inspection crew on the Project. The Province did not otherwise address the conduct, and JMJ incurred cost and delay as a result of it.

(4) Delay, standby and non-payment:

44. The Work was delayed from the outset of the Project by the Province's failure to review and approve changes, respond to requests for information and issue instructions with reasonable promptness, by the structural and hazardous materials conditions pleaded above, and by the conduct of its representatives. Among other things:

(a) the site was shut down from 19 December 2025 to 23 January 2026 for want of approved work, the Province not having approved the changes and issued the instructions necessary for the Work to continue;

(b) the site was shut down from 28 January to 24 March 2026 by reason of the late disclosure of the hazardous materials assessment;

(c) on 17 April 2026 the Assistant Deputy Minister of TI imposed a "safety pause" on all active construction, effective immediately, for an internal review by the Province. The notice identified no non-compliance by JMJ and directed JMJ not to contact the Province's project management staff. Service NL's occupational health and safety officer had inspected the site on 13 and 14 April 2026 and had issued only routine orders, none of which stopped any work or fell due before the pause. On the evening of 17 April 2026 JMJ gave the Province written notice that it treated the pause as an Owner-directed suspension of the Work, that it would comply under protest and that it reserved its rights to time and money, and asked the Province to identify the contractual basis for the pause, the deficiencies relied on and the conditions for lifting it. Work did not resume until 27 April 2026. The Province paid JMJ's standby costs for the pause by Change Order No. 9;

(d) JMJ submitted a standby claim for February 2026, which the Province approved by Change Order No. 7, issued on 11 May 2026, and has since paid, thereby acknowledging that the delay was the Province's responsibility;

(e) JMJ submitted standby claims for March 2026 and April 2026 (JMJ changes N147-CM-017 and N147-CM-018), which the Province approved by Change Orders No. 8 (issued 15 May 2026) and No. 9 (issued 3 June 2026), and has since paid; and

(f) a number of further changes to the Work requested or required by the Province, including the perimeter foundation insulation, the remediation of the contaminated soil identified in May 2026, the time-and-material cost of lead abatement, the fire alarm changes, the sewer tie-in, the smoke and fire damper work, the heat pump voltage change, the cash allowance for mechanical and electrical demolition, the environmental disposal of material from Building B and temporary storage, remained unapproved or unpaid at the date of cancellation.

45. By April 2026 JMJ had forecast progress billings on the Project of approximately $15,350,000.00. Because of the delays pleaded above, the Province had paid approximately $5,150,000.00. The shortfall of approximately $10,000,000.00 in forecast project value, together with the corresponding position on JMJ's other contract with the Province for the Cartwright K-12 School, tied up approximately $20,000,000.00 of JMJ's bonding capacity and prevented JMJ from bidding and securing other work. On 24 April 2026 JMJ gave the Province written notice of that impact and of its claim for it (by email to TI's regional engineer, copied to the Assistant Deputy Minister, enclosing JMJ letter N147-JMJ-LTR-006, and by JMJ change N147-CM-019). The Assistant Deputy Minister replied that she would respond to it when she had a chance. The Province has not answered it.

46. JMJ gave the Province written notice of the delays and of its claims for the costs of the delays, including by its letters and change requests pleaded above, and the causes of delay were continuing ones for which a single notice suffices under GC 8.4. The delay was caused by the acts and faults of the Province within the meaning of GC 8.1, and by stop work conditions within GC 8.2 not attributable to JMJ, and not by JMJ or anyone for whom JMJ is responsible.

47. In its change requests for the corridor walls, the additional demolition and the standby periods, JMJ also asked for extensions of the Contract Time totalling 100 days, none of which the Province has granted. JMJ's notices included its written notices of 29 January 2026 and 17 April 2026 pleaded above. On 13 March 2026, when JMJ asked whether a further notice of delay was required for the continuing lead delay, the Province's project manager replied that "No additional notification is required."

(5) The Province's assurances of May 2026:

48. On 11 May 2026 JMJ's principals met in St. John's with the Assistant Deputy Minister of TI and TI's Director of Infrastructure to seek decisions on the outstanding change, delay

and progress billing items on the Project, and to seek senior-level assistance in restoring clarity, confidence and proper project administration. The Assistant Deputy Minister stated that she believed the Department now had a solid team in place to move the Project forward, acknowledged residual issues from the previous project administration, and asked for time to move the Project forward. She agreed in principle to provide messaging that JMJ could share with its subcontractors to restore their confidence in the Project. The Director acknowledged that there had been issues on the Project and stated that TI was not interested in seeing JMJ placed in financial difficulty or business risk as a result of it.

49. In reliance on those assurances JMJ continued to perform the Work, to retain its site team and subcontractors on the Project and to incur costs.

50. At all material times JMJ was ready, willing and able to perform the Contract. JMJ was not in default of the Contract, and the Province at no time gave JMJ notice of any default under GC 10.2.

F. THE CANCELLATION:

51. On or about 20 May 2026, within days of the assurances pleaded above, the Minister of TI approved a decision to cancel the Contract. The Province did not inform JMJ, and for the following two weeks allowed JMJ and its subcontractors to continue to perform and to commit to the Project. The decision note approved by the Minister, released under access to information file TI-125-2026, recorded that the Project had reached a "critical escalation point" because of, among other things, "design, environmental, and site condition issues", and that the contractor had stopped work on site "due to environmental and hazardous materials, including lead paint and contaminated soil".

52. On the morning of 3 June 2026, in a meeting of approximately ten minutes, the Assistant Deputy Minister of TI informed JMJ's principals that the Province had been directed to reassess the Project, that the Contract was being cancelled and that the Province would return to redesign and re-procurement. JMJ asked which provision of the General Conditions the Province was relying on. The Assistant Deputy Minister did not identify any provision, stated that the Province's legal team would deal with the contract provisions, and described the meeting as a courtesy call before public communication.

53. Later the same day, before giving JMJ any written notice, the Province announced publicly by news release that the construction contract for the Martin Gallant Building

redevelopment had been cancelled following a review that had identified significant risks related to cost escalation, delays, design issues and site conditions, and that the Province intended to re-procure the Project under revised terms. The Province also stated in the House of Assembly that there had been challenges with contractor. Those statements were understood by the public, the construction industry and JMJ's subcontractors and suppliers to refer to JMJ.

54. By email on 4 June 2026 the Assistant Deputy Minister wrote that the Province had made the decision to cancel the Project with JMJ effective as of that date, and that TI's officials would work with JMJ to complete any remaining Work required before the securing and closure of the site. The email cited no provision of the Contract and alleged no default by JMJ. The Province did not give JMJ any notice of default under GC 10.2, did not allow JMJ any period to correct a default, and did not invoke GC 10 or any other provision of the Contract.

55. On 4 June 2026 JMJ acknowledged receipt without acceptance or waiver, recorded that no contractual mechanism had been identified, reported that the public announcement had already produced a security risk at the site, and required the Province to identify the contractual provision on which it relied, the scope and timing of any remaining Work, the site safety, security and turnover requirements, and the process for valuing the remaining Work, demobilization, subcontractor and supplier impacts, material commitments, delay, overhead, profit and other costs arising from the cancellation. The Province did not answer those questions.

56. By letter from its solicitors dated 23 June 2026 JMJ gave the Province written notice that the cancellation was a breach and a repudiation of the Contract and again required the Province to identify the provision relied on. By further letters dated 10 July, 17 July, 11 August and 25 August 2026 JMJ's solicitors pressed the Province for its position. The Province has never identified any contractual basis for the cancellation. By letter dated 21 August 2026 and email dated 4 September 2026 the Province, through its solicitor, denied liability, declined to state a position and asserted that JMJ's damages would have to be demonstrated in court.

57. After 4 June 2026 the Province required JMJ to remain on site. Because the Province had not decided whether the building would be retained or demolished, and because the Work had left the building in a partially demolished condition, JMJ was obliged to maintain site

supervision, security, safety representation and its excavation subcontractor on site for more than two months after the cancellation in order to keep the site safe and to protect the Owner's property. On 5 June 2026 the Province issued Change Order No. 10 for sea containers to store Project materials being handed over to it. In or about August 2026 the Province directed JMJ and its subcontractors to complete their demobilization and to demobilize fully from the site, and advised that a dedicated site safety representative was no longer required. JMJ did so, and completed and delivered a final inventory of Project materials.

58. On 5 October 2026, the Province announced publicly that, following further environmental and structural assessments, the Martin Gallant Building would be demolished and the redevelopment would not proceed. The Province cited contaminated soil, the presence of lead paint and significant structural deficiencies, and stated that those conditions should have been fully understood before the original project decisions were made. The consultant's report that the Province published with that announcement was not a report commissioned by the Province or prepared by its own consultant. Rather, it was a unsigned draft condition assessment dated 16 June 2026, prepared by Strum at JMJ's request and addressed to JMJ.

59. On 17 June 2026, JMJ provided a copy of that assessment directly to TI's Project Manager during an in-person meeting, expressly for the purpose of assisting the Project Manager and Regional Engineer in preparing and supporting an internal business case to the Province's executive decision-makers recommending demolition of the existing building rather than proceeding with the redevelopment. JMJ provided the assessment as a draft, in good faith, to assist the Province in summarizing the ongoing and consistent JMJ position of the existing structural deficiencies and making an informed decision regarding the future of the building.

60. The assessment was not commissioned for the Province, nor was it provided for the purpose of public distribution. Nevertheless, the Province subsequently published the assessment as part of its public announcement without seeking or obtaining permission from either JMJ or Strum. The structural deficiencies cited by the Province were the same deficiencies previously identified by Strum and communicated to JMJ in September and October 2025, and subsequently documented in the June 2026 assessment. The majority

of these conditions pre-existed the Contract, was the Province's responsibility to investigate and disclose, and formed part of the matters pleaded under Part E above.

61. JMJ accepted the Province's repudiation of the Contract by its solicitors' letter of 23 June 2026 and, to the extent necessary, accepts it by this Statement of Claim. The Contract is at an end by reason of the Province's wrongful conduct.

G. NOTICES AND CONDITIONS PRECEDENT:

62. JMJ gave the Province the notices required by the Contract, including under GC 7.2, GC 8.4, GC 16.1 and GC 29.2, and all conditions precedent to this action have been satisfied, waived or dispensed with. In the alternative, the Province at all material times had actual knowledge of the matters in dispute and of JMJ's claims, and has suffered no prejudice from the form or timing of any notice.

63. GC 16.2 does not bar this action. The Province has brought the Contract to an end and the disputed Work will not be performed or substantially performed. The matters in dispute require immediate consideration while evidence is available, the building itself is to be demolished, and this action might otherwise become prescribed by reason of delay.

H. CAUSES OF ACTION:

(1) Wrongful termination and repudiation of the Contract:

64. The Province had no right under the Contract or at law to cancel the Contract. The only rights of termination conferred on the Province by the Contract are those in GC 10, which arise only on JMJ's insolvency or on a default that JMJ has failed to correct after written notice. Neither circumstance existed and the Province did not follow GC 10.

65. The Province's cancellation of the Contract was a fundamental breach and a repudiation of it, which JMJ has accepted.

66. In the alternative, if the Province purported to act under GC 18.1 or under any right to amend the scope of the Work, that provision does not permit the deletion of the whole of the Work. Any change under it required the Contract Price and the Contract Time to be adjusted and the change to be valued under GC 19, which the Province has not done.

67. In the further alternative, if the Province had and exercised any right to end or reduce the Work, it did so in breach of its duty to exercise its contractual rights and discretions reasonably, honestly and in good faith, as pleaded below.

68. JMJ relies on GC 11.4 as recording the parties' agreed measure of the Contractor's entitlement where the Contract is brought to an end by reason of the Owner's insolvency or default, and says that the same measure applies, at a minimum, where the Owner repudiates the Contract, namely payment for all Work performed and for any loss sustained upon products and plant supplied, with reasonable overhead, profit and damages.

(2) Breach of the Contract during performance:

69. In breach of the Contract the Province:

(a) failed to provide JMJ with accurate and complete information in its possession about the building and site, and in particular withheld the August 2022 hazardous materials assessment until 27 January 2026;

(b) advised JMJ that the known hazardous materials had been removed when they had not;

(c) failed to issue a complete and consistent set of Issued for Construction drawings and specifications, and to maintain an accurate record of the drawings, amendments and revisions forming the Contract Documents, including drawings A302, A320 and A321, and issued drawings bearing duplicate or incorrect numbers;

(d) failed to provide a premises on which the Work could safely be performed as designed, and failed to issue timely instructions when the structural condition of Building B and the presence of hazardous materials and contaminated soil were identified;

(e) failed, after JMJ reported that the corridor slab of Building B rested on uncompacted fill, after hydrocarbon-impacted material was identified, and after it had agreed on 19 May 2026 that the contaminated soil required remediation by change order, to investigate promptly and to issue instructions for changes in the Work, contrary to GC 35.2;

(f) failed to review and approve changes, respond to requests for information and issue instructions with reasonable promptness, contrary to GC 3.4 and GC 19.8;

(g) failed to extend the Contract Time and to reimburse JMJ for the costs of the delays caused by its acts and faults and by the stop work conditions, contrary to GC 8.1 and GC 8.2;

(h) failed to certify and pay JMJ's delay claims and other changes, and delayed for months the certification and payment of JMJ's standby claims, contrary to GC 19 and GC 21;

(i) failed to ensure that its own representatives on site conducted themselves safely and lawfully, and failed to investigate and address their conduct under the program incorporated by GC 34.4; and

(j) hindered and prevented JMJ's performance of the Work.

70. Further, JMJ is entitled under GC 29.1 to be reimbursed for the damage it has suffered because of the Province's wrongful acts and neglect pleaded in this Statement of Claim; under GC 32.4 JMJ is not liable for any damage resulting from the errors and omissions in the Contract Documents; and under GC 28.2 JMJ is not responsible for any damage to the building or the Owner's property that occurred as a result of errors in the Contract Documents or the acts or omissions of the Province, including the partially demolished condition in which the Province's cancellation left the building.

(3) Owner-caused delay:

71. The Project was delayed by the acts and faults of the Province within the meaning of GC 8.1, and by stop work conditions within GC 8.2 not attributable to JMJ. JMJ repeats the matters pleaded under Part E above.

72. The Province acknowledged the delay and its responsibility for it by approving Change Order No. 7, 8 and 9 for JMJ's standby costs for February, March and April 2026. None of the delay was caused by JMJ or by anyone for whom it is responsible. The affected work was on the critical path of the Project, so that JMJ's forces could not work efficiently elsewhere on the Project while it was held up, and the costs JMJ incurred could not reasonably have been avoided.

73. JMJ is entitled under GC 8.1 and GC 8.2 to an extension of the Contract Time for the whole of the period of delay and to be reimbursed for the costs of the delay, including extended site supervision and general conditions, head office overhead, standby of equipment and labour, the shutdowns of December 2025 to January 2026 and January to March 2026, the safety pause of April 2026 and the remobilizations that followed them, the subcontracted safety representative, the blood lead level testing and exposure control measures, escalation in the cost of labour and materials, the delay claims of its subcontractors and suppliers, and the cost of extending its bonds and insurance. In the alternative, JMJ claims those costs as damages for breach of the Contract, including breach of the Province's implied obligation not to hinder or prevent JMJ's performance.

(4) Breach of the duty of good faith and honest performance:

74. The Province owed JMJ a duty to perform the Contract honestly and in good faith, not to lie to or knowingly mislead JMJ about matters directly linked to the performance of the Contract, and to exercise its contractual rights and discretions reasonably and for the purposes for which they were conferred.

75. In breach of that duty the Province:

(a) advised JMJ at the outset of the Work that the known hazardous materials had been removed, and withheld its own hazardous materials assessment while JMJ and its subcontractors disturbed lead-containing paint for seven months;

(b) characterized a bona fide refusal of unsafe work as an attempt to extract payment, while its own representatives disregarded the site restrictions imposed for safety;

(c) delayed for months its approval of JMJ's standby claims for February, March and April 2026, while JMJ, to the Province's knowledge, carried the cost of the Project and its subcontractors;

(d) imposed a site-wide "safety pause" on 17 April 2026, the day after JMJ documented the conduct of the Province's inspectors on 16 April 2026 and three days after the provincial occupational health and safety officer had inspected the site and issued only routine orders, without identifying any non-compliance by JMJ, and directed JMJ not to contact the Province's project management staff;

(e) gave JMJ the assurances pleaded in Part E above on 11 May 2026, and within days approved a decision to cancel the Contract;

(f) concealed that decision from JMJ for two weeks while JMJ, to the Province's knowledge, continued to perform and to incur costs for the Project;

(g) cancelled the Contract in order to relieve itself of the consequences of its own failures of investigation, disclosure and contract administration, and attributed those failures publicly to the Project's risks and to challenges with contractors;

(h) announced the cancellation publicly, in terms that reflected on JMJ, before giving JMJ written notice and without giving JMJ an opportunity to prepare its subcontractors, suppliers and site team;

(i) required JMJ to remain on site for more than two months after the cancellation while it decided what to do with the building, without agreeing to pay for it; and

(j) refused, and continues to refuse, to identify any contractual basis for the cancellation.

(5) Negligent misrepresentation:

76. The Province owed JMJ a duty of care in making the Building Condition Representations. There was a special relationship between them: the Province owned and had assessed the building, invited JMJ to bid on its redevelopment, supplied the Specification and drawings on which bidders were to price the Work while holding its own hazardous materials assessment of the building, knew that JMJ would rely on the information it supplied and on its advice at the pre-construction meeting, and intended that JMJ do so.

77. The Building Condition Representations were untrue, inaccurate or misleading. In particular, lead-containing paint remained on the exterior surfaces and on the concrete floors, interior masonry walls and ceilings of the building, asbestos-containing material remained within Building B, the soil beneath Building B was contaminated with hydrocarbons, the existing block walls of Building B were not in a condition that permitted the Work to proceed as designed, the corridor floor slab of Building B was unreinforced and built on uncompacted fill, the flanges of the existing precast double tees were thinner than specified, and the demolition drawings did not accurately depict the existing construction.

78. The Province made the Building Condition Representations negligently. In particular the Province, by itself or its consultants, failed to disclose the August 2022 hazardous materials assessment in its possession, failed to verify that the hazardous materials identified in that assessment had in fact been abated before advising JMJ that they had, failed to include in the Specification any provision for the abatement of the lead-containing paint that the assessment had identified, as its own standard specification contemplated, failed to carry out or disclose any adequate structural or environmental investigation of the building and site before tendering its redevelopment, and issued demolition drawings that did not reflect the existing construction. The Province's own announcement of 5 October 2026 acknowledges that those conditions should have been identified and assessed before the Project was tendered. Its announcement also repeated that the original redevelopment plan had been advanced "without the level of due diligence and site analysis that would typically be expected before committing to a project of this scale and complexity".

79. Further, the Building Condition Representations were continuing representations which the Province came under a duty to correct as soon as it knew or ought to have known they were inaccurate. The Province did not do so.

80. JMJ reasonably relied on the Building Condition Representations in preparing and submitting the Bid, in entering into the Contract, in mobilizing and awarding subcontracts, and in planning and performing the Work, and has suffered loss as a result, including the costs of the hazardous materials shutdown, exposure control and testing, and the delay and disruption pleaded above.

(6) Breach of Contract A:

81. In breach of Contract A the Province withheld from bidders information in its possession, including the August 2022 hazardous materials assessment, which it had issued to bidders on its January 2023 demolition tender for the same building but omitted from the Tender, that materially affected the nature, cost and feasibility of the Work, and failed to conduct the tender process fairly and in good faith. Sections 2(c) to 2(f) of the Instructions to Bidders do not exclude liability for the Province's conduct in the circumstances pleaded, which concerns information within the Province's exclusive knowledge that no site examination by a bidder could reasonably have revealed.

(7) Unauthorized disclosure of confidential commercial information:

82. In administering the Contract the Province received from JMJ, in confidence and for the purposes of the Contract only, JMJ's commercial and financial information, including its schedule of values, its applications for payment with line-item pricing and certified amounts, and its quotations and supporting documents for changes in the Work, which disclose JMJ's labour rates, its percentage mark-ups for overhead, profit, bonds and insurance, and the prices quoted to JMJ by its subcontractors and suppliers (the "**Commercial Information**").

83. The Commercial Information was not public and was commercially sensitive, as the Province knew. Its disclosure to JMJ's competitors, subcontractors and suppliers could reasonably be expected to harm JMJ's competitive and negotiating position.

84. The Contract does not permit the Province to disclose the Commercial Information to subcontractors or to the public. GC 14.6 permits the Owner, on reasonable request, to tell a subcontractor only the percentage of that subcontractor's own work that has been certified for payment. It was an implied term of the Contract that the Province would use the Commercial Information only for the purposes of the Contract and would not disclose it except as GC 14.6 permits or as the law requires.

85. In breach of the Contract and of its duty of confidence, the Province disclosed the Commercial Information without JMJ's consent. In particular:

    (a) in or about June and July 2026 the Province provided to one or more of JMJ's subcontractors and suppliers on the Project information from JMJ's applications for payment and schedule of values, including line-item pricing and the amounts certified and paid to JMJ, beyond what GC 14.6 permits, which JMJ raised with the Province by its solicitors' letter of 17 July 2026 and which the Province, by letter dated 22 July 2026, declined to accept as a breach;

    (b) on or about 19 June 2026 and 15 July 2026, in response to access to information requests under files TI-110-2026 and TI-128-2026, the Province released the change orders on the Project and JMJ's quotations and supporting documents for them, including JMJ's hourly rates, its mark-ups for overhead, profit, bonds and insurance, and the prices of its subcontractors and suppliers, withholding only names and signatures, without giving JMJ notice of the requests or an opportunity

to object as section 19 of the *Access to Information and Protection of Privacy Act, 2015* required, and without applying the exception for third party business information in section 39 of that Act; and

(c) on or about 5 October 2026 the Province published on its website, as "the consultant's report" supporting its decision to demolish the building, the condition assessment of 16 June 2026 that JMJ had commissioned from Strum for its own purposes, without the knowledge or consent of JMJ or Strum.

86. The disclosures were made in the weeks after the cancellation, when JMJ's subcontractors and suppliers were pressing JMJ for payment, and the released information was liable to be, and was, misread by them as showing that JMJ had received money owed to them. Subcontractors and suppliers made demands on JMJ, wrote directly to the Province about JMJ's accounts, and asserted claims against JMJ's labour and material payment bond on the strength of it. The Province has denied liability for the disclosures.

87. The Province is liable to JMJ for breach of the Contract, for breach of confidence and for breach of its duty of good faith. The Commercial Information had the necessary quality of confidence, it was given to the Province in circumstances importing an obligation of confidence, and the Province used and disclosed it without authority and to JMJ's detriment.

88. As a result JMJ has suffered loss, including harm to its competitive position in future tenders, damage to its relationships with its subcontractors and suppliers, the cost of answering demands and bond claims made on the strength of the disclosed information, and harm to its reputation.

(8) Subcontractor claims, bond claims and lien exposure:

89. The Province knew and intended that JMJ would perform the Work through subcontractors and suppliers, as the Contract contemplates (GC 14), and required JMJ to furnish a labour and material payment bond for their protection. GC 14.7 provides that nothing in the Contract creates a contractual relationship between a subcontractor and the Owner, so that the claims of JMJ's subcontractors and suppliers arising from the Province's conduct fall on JMJ and on its bond.

90. JMJ's subcontracts provide for payment out of the progress payments JMJ receives from the Province. By cancelling the Contract the Province cut off the funds from which JMJ's

subcontractors and suppliers were to be paid, while continuing to hold the holdback and other amounts owing under the Contract.

91. Since the cancellation JMJ's subcontractors and suppliers have made claims against JMJ for work performed, shop drawings and detailing, materials ordered, fabricated and stored, cancellation and restocking charges, overhead, loss of profit and demobilization. The claims received to date include claims by R&R HVAC & Controls Ltd.

92. Bursey Contracting (2010) Ltd., Island Dynamics Inc. and MJR Masonry Inc. have commenced actions in this Court against JMJ and the Province (Nos. 2026 01G 5802, 2026 01G 6073 and 2026 01G 6072, filed on 24 September 2026 and 5 October 2026), and have registered claims of lien against the Project lands (Nos. 21024, 21006 and 21008).

93. Island Dynamics Limited, MJR Masonry Inc. and R&R HVAC & Controls Ltd. have delivered notices of claim under JMJ's labour and material payment bond no. TTMC286008 to the surety, Tokio Marine Canada Ltd., exposing JMJ to liability to its surety under its indemnity agreement and impairing JMJ's bonding capacity.

94. On or about 18 June 2026 Wolseley Canada Inc., a supplier to JMJ's mechanical subcontractor R&R HVAC & Controls Ltd., registered a claim of lien, no. 20997, against the Project lands and the funds payable under the Contract, and has since commenced an action in this Court against R&R HVAC & Controls Ltd., the Province and JMJ to enforce it. JMJ had paid R&R HVAC & Controls Ltd. for the materials in question. Further claims of lien may be registered.

95. These claims, bond claims and liens are the direct and foreseeable result of the Province's wrongful cancellation of the Contract and of the delays it caused. But for that conduct JMJ's subcontractors and suppliers would have been paid in the ordinary course out of the Contract funds.

96. JMJ claims from the Province:

(a) indemnity for all amounts JMJ is found liable to pay, or reasonably pays in settlement, to its subcontractors and suppliers, or to its surety in respect of claims on the bond, by reason of the cancellation and the delays, with interest and costs;

(b) the costs of defending, settling and discharging claims of lien, lien actions and bond claims arising from the cancellation, including the cost of posting security to vacate any lien; and

(c) a declaration that, as between JMJ and the Province, the Province is responsible for those claims and liens, and an order that the holdback and other amounts owing under the Contract be paid to JMJ or into court so that the liens may be discharged.

97. JMJ does not admit that any claim of lien is valid, that the *Mechanics' Lien Act* binds the Province or attaches to the Project lands, or that any subcontractor or supplier is entitled to the amount it claims. JMJ reserves the right to seek contribution and indemnity from the Province in any lien action and to ask that any such action be tried together with this one.

(9) Amounts owing for Work performed:

98. The Province has not paid JMJ in full for the Work performed under the Contract, including certified and uncertified Work to 4 June 2026, holdback retained under GC 21.12, approved and unapproved change orders, the delay claims pleaded above, and the site supervision, security, safety representation, subcontractor standby, demobilization and inventory work performed at the Province's request and under its direction after 4 June 2026. JMJ claims those amounts as a debt due under the Contract, with interest under GC 21.3 and Article 4(b) of the Agreement.

99. In the alternative, JMJ performed that Work at the Province's request and the Province has had the benefit of it. JMJ is entitled to be paid its reasonable value on a quantum meruit basis.

I. DAMAGES:

100. As a result of the matters pleaded above JMJ has suffered loss and damage, including:

(a) the profit and contribution to overhead that JMJ would have earned on the balance of the Contract to its scheduled completion on 20 May 2027;

(b) amounts unpaid for Work performed, including holdback and approved change orders;

(c) the cost of changes and additional work requested or required by the Province and not paid;

(d) the costs of delay and disruption, including extended site and head office overhead, the shutdowns of December 2025 to January 2026 and January to March 2026, the safety pause of April 2026, standby and remobilization;

(e) the costs of the hazardous materials shutdown, exposure control measures, blood lead level testing and the subcontracted safety representative;

(f) mobilization, bonding, insurance and other costs incurred in reliance on the Building Condition Representations and on the Contract;

(g) site supervision, security, safety representation, subcontractor standby, demobilization and site restoration costs incurred after 3 June 2026;

(h) its liability to subcontractors and suppliers, and to its surety, arising from the cancellation and the delays, including claims for work performed, materials ordered or fabricated, cancellation charges and loss of profit, and the cost of responding to those claims;

(i) the cost of defending and discharging claims of lien, lien actions and bond claims;

(j) loss caused by the disclosure of the Commercial Information;

(k) loss of bonding capacity and of business opportunity, the Contract having represented a substantial part of JMJ's bonded capacity throughout its term, as JMJ notified the Province on 24 April 2026; and

(l) such further loss as may be proven at trial.

101. JMJ will provide particulars of its damages, including the report of its forensic accountant, before trial.

102. JMJ has taken reasonable steps to mitigate its loss, including by notifying its subcontractors and suppliers of the cancellation on 3 June 2026 and asking for their cost and impact summaries, by directing them on 29 June 2026 to freeze and suspend all work and to preserve materials and records, by maintaining the site in a safe condition at the Province's request, and by demobilizing promptly when directed.

103. The Province's conduct pleaded under Part F and under heading H(4) above, including withholding its own hazardous materials assessment while workers were exposed, concealing a decision already taken while JMJ continued to perform, announcing the

cancellation publicly before telling JMJ in writing, and refusing to identify any contractual basis for it, was high-handed and a marked departure from ordinary standards of decent behaviour, and warrants an award of punitive damages.

104. JMJ pleads and relies on the *Proceedings Against the Crown Act*, RSNL 1990, c P-26; the *Judgment Interest Act*, RSNL 1990, c J-2; the *Access to Information and Protection of Privacy Act, 2015*, SNL 2015, c A-1.2; the *Mechanics' Lien Act*, RSNL 1990, c M-3; the *Occupational Health and Safety Act*, RSNL 1990, c O-3; the *Public Procurement Act*, SNL 2016, c P-41.001; and the *Rules of the Supreme Court, 1986*.

105. JMJ proposes that this action be tried at St. John's, Newfoundland and Labrador.

J. RELIEF CLAIMED:

106. JMJ therefore claims against the Province:

(a) a declaration that the Province wrongfully terminated and repudiated the Contract;

(b) damages for breach of the Contract;

(c) a declaration that JMJ was entitled to an extension of the Contract Time for the delay caused by the Province, and damages for, or reimbursement under GC 8.1 and GC 8.2 of, the costs of that delay;

(d) damages for breach of the duty of good faith and honest performance;

(e) damages for negligent misrepresentation;

(f) damages for breach of Contract A;

(g) damages for breach of contract and breach of confidence in disclosing the Commercial Information, and a declaration that the Province is not entitled to disclose the Commercial Information except as GC 14.6 or the law permits;

(h) payment of all amounts owing for Work performed, or in the alternative the reasonable value of that Work;

(i) a declaration that the Province is liable to indemnify JMJ for the claims of its subcontractors and suppliers, the claims on its labour and material payment bond, and the liens arising from the cancellation and the delays, and damages in the amount of those claims and of the cost of defending and discharging them;

(j) an order that the holdback and other amounts owing under the Contract be paid to JMJ or into court;

(k) a declaration that JMJ is not responsible under GC 28.2 or otherwise for the condition of the building or the Owner's property resulting from errors in the Contract Documents or from the Province's acts and omissions, including its cancellation of the Contract;

(l) special damages, to be particularized;

(m) punitive damages;

(n) pre-judgment and post-judgment interest under the *Judgment Interest Act* or, in the alternative, interest under GC 21.3 and Article 4(b) of the Agreement;

(o) costs, on a solicitor and client basis or on such other scale as this Honourable Court considers just; and

(p) such further and other relief as this Honourable Court considers just.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 25 day of October, 2026.

O'KEEFE & SULLIVAN
Darren D. O'Keefe and Madison L. Budgell
Solicitors for the Plaintiff, J.M.J. Holdings Ltd.
whose address for service is:
80 Elizabeth Avenue, Suite 202,
St. John's, NL A1A 1W7
Email: dokeefe@okeefesullivan.com

TO: His Majesty the King in Right of the Province of Newfoundland and Labrador
c/o Department of Justice and Public Safety
4th Floor, East Block, Confederation Building
P.O. Box 8700, St. John's, NL A1B 4J6
Attention: David Hearn and Nick Leamon, Civil Division

TO: **Supreme Court of Newfoundland and Labrador**
c/o Registry
309 Duckworth Street,
St. John's, NL

ISSUED at St. John's, in the Province of Newfoundland and Labrador, this 23rd day of October, 2026.

Court Officer
Court Officer/Officer de Cour

2026 01G 6379

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION

BETWEEN:	**J.M.J. HOLDINGS LTD.**	**PLAINTIFF**
AND:	**HIS MAJESTY THE KING IN RIGHT OF NEWFOUNDLAND AND LABRADOR, AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**	**DEFENDANT**

NOTICE TO DEFENDANT

You are hereby notified that the Plaintiff may enter Judgment in accordance with the Statement of Claim or such order as, according to the practice of the Court, the Plaintiff is entitled to, without any further notice to you unless within ten (10) days after service hereof upon you, you cause to be filed in the Registry of the Supreme Court of Newfoundland and Labrador at St. John's a Defence and unless within the same time a copy of your Defence is served upon the Plaintiff or the Plaintiff's solicitors at the Plaintiff's solicitors' stated address for service.

Provided that if the claim is for a debt or other liquidated demand and you pay the amount claimed in the Statement of Claim and the sum of $100.00 for costs to the Plaintiff or the Plaintiff's solicitors within ten (10) days from the service of this notice upon you, then this proceeding will be stayed.

TO: **His Majesty the King in Right of the Province of Newfoundland and Labrador**
c/o Department of Justice and Public Safety
4th Floor, East Block, Confederation Building
P.O. Box 8700, St. John's, NL A1B 4J6
Attention: David Hearn and Nick Leamon, Civil Division

ISSUED at St. John's, in the Province of Newfoundland and Labrador, this 23rd day of October, 2026.

Court Officer

Court Officer/Officer de Cour

Receipt Number: **R202601G21705**

Supreme Court of Newfoundland and Labrador

St. John's General Division

Receipt Date: Oct-27-2026 **Amount Received:** $123.00

Payment Type: Cheque **Cheque Number:** 001362

Received From: O'Keefe and Sullivan

Notes:

On Behalf Of	Classification	Event Type	Case		Amount
	Case Related	Statement of Claim Issued and Filed	202601G6379	(1)	$120.00
	Law Society			(1)	$3.00
			Total:		**$123.00**

Allison Bowers

SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

This receipt is your only proof of payment, please retain.