

CITATION: Flegg v. Sigma Lithium Corporation, 2026 ONSC 2596
COURT FILE NO.: CV-24-716734
DATE: 20260501

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:)	
)	
JAMIE FLEGG)	<i>Daniel Lublin & Glenn Brandys, for the</i>
)	Plaintiff
)	
Plaintiff)	
)	
– and –)	
SIGMA LITHIUM CORPORATION)	
)	
)	<i>No one appearing, for the Defendant</i>
Defendant)	
)	
)	
)	
)	HEARD: March 16, 2026

JUSTICE POLLAK

REASONS FOR DECISION

- [1] The Defendant did not attend or make any submissions at the trial of this action.

- [2] The trial, therefore, proceeded on an uncontested basis.

- [3] I am satisfied that the Plaintiff has met his burden of proving that he is legally entitled to damages in the amount of \$1,898,350 for breach of contract. The Plaintiff is entitled to receive damages for failure of the Defendant, to fulfill its contractual obligations, to deliver the shares he was entitled to pursuant to his contract of employment.

- [4] The damages for failure to do so are equal to the sum of \$1,898,350. This is the amount that the Plaintiff would have realized on the sale of the shares he was entitled to, if he had received them when he was contractually to. Further, I am satisfied that it was his intention to sell the shares on the date that he advised the Defendant that he wanted to exercise his right to sell those shares.

- [5] I find that the Plaintiff is entitled to damages for his constructive dismissal from employment, based on the evidence of the Plaintiff with respect to the unilateral modifications of

his duties, which were designed to marginalize his role in the company. The evidence is that there was an effort to replace him by hiring another employee, (his replacement), which he was required to report to.

[6] The damages are calculated by applying the *Bardol* factors. In this court's discretion, I find that an estimate of the reasonable amount of time it would take for him to obtain alternate employment is consistent with the amount of time he has claimed as a reasonable estimate of the notice he should have received. He is entitled to damages in lieu of such notice.

[7] At the trial of this Action, the Plaintiff submitted a draft order requesting the amount of \$100,000, which is the equivalent to six months of his compensation as damages for his constructive dismissal. As I find that this is a reasonable estimation of those damages, I award the sum of \$100,000 as damages for failure to provide reasonable notice of Mr. Flegg's termination of employment.

[8] As well, in light of the egregious conduct of the employer Defendant in refusing to honour its obligations pursuant to the employer agreement and as a result of the conduct of the employer Defendant designed to constructively dismiss the Plaintiff, I award damages of \$250,000 for aggravated and punitive damages.

[9] The court also orders pre and post-judgment interest in accordance with section 128 and 129 of the *Courts of Justice Act*.

[10] As a result of the unacceptable conduct of the Defendant in this litigation, the Court awards the amount of \$234,000 for costs of this action on a substantial indemnity basis.

Justice Pollak

Released: May 1, 2026

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BETWEEN:

JAMIE FLEGG

Plaintiff

– and –

SIGMA LITHIUM CORPORATION

Defendant

REASONS FOR DECISION

Justice Pollak

Released: May 1, 2026