

Agnico Eagle Mines Limited

Third Quarter 2019 Results Conference Call

Event Date/Time: October 24, 2019 — 11:00 a.m. E.T.

Length: 36 minutes

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CORPORATE PARTICIPANTS

Sean Boyd

Agnico Eagle Mines Limited — Chief Executive Officer

Yvon Sylvestre

Agnico Eagle Mines Limited — Senior Vice-President, Operations, Canada & Europe

Guy Gosselin

Agnico Eagle Mines Limited — Vice-President, Exploration

CONFERENCE CALL PARTICIPANTS

Fahad Tariq

Credit Suisse — Analyst

Mike Parkin

National Bank — Analyst

Carey MacRury

Canaccord Genuity — Analyst

Tanya Jakusconeck

Scotia Capital — Analyst

Steven Butler

GMP Securities — Analyst

Anita Soni

CIBC Capital Markets — Analyst

Ralph Profiti

Eight Capital — Analyst

PRESENTATION

Operator

Good morning. My name is Emily, and I will be your conference Operator today. At this time, I would like to welcome everyone to the Agnico Eagle Mines Limited Third Quarter 2019 Results Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. Thank you.

Mr. Sean Boyd, you may begin your conference.

Sean Boyd — Chief Executive Officer, Agnico Eagle Mines Limited

Thank you, Operator, and good morning, everyone, and welcome to our third quarter 2019 conference call.

This presentation does include forward-looking statements and does use non-GAAP measures and does give production guidance, so there's cautionary language in our slide deck that you can read at your leisure.

Talking about the quarter, we're where we expected to be. We expected to produce a record quarterly gold production. We did that, produced almost 477,000 ounces. We expected to generate free cash flow, based on the fact that production was increasing, and our capital spending was declining. We did that. We expected to reach commercial production at Amaruq. We achieved that.

What we still need to work on is the ramp-up at Amaruq. We'll talk about that in some more details. It's had some impact on our guidance for next year, which we've trimmed a bit, based on a slower-than-expected ramp-up.

We expected to be in a position to increase the dividend. The dividend's clearly important, given our track record. We'll talk a little bit about our thinking behind that.

And one of the things that is possibly overlooked in this release is the fact that we continue to get good exploration results at a number of our properties, so we'll talk a little bit about that.

A summary on the exploration side. Although it's still early, we do have some encouragement at Canadian Malartic Underground, at East Gouldie, and it needs a lot more drilling and needs a lot more analysis. The structure has been traced over a strike length of about 1,300 metres.

I think the fact that this was discovered is really consistent with our expectations of the underground exploration potential of the property when we bought it in 2014, and really consistent with our strategy at that time, where we thought there was good potential to find additional mineralization underground. And we knew that we were well matched and positioned, given our extensive underground skill set in the region. So when we say this needs more drilling, I think that's clear, but also needs more analysis. But really, what we're saying is we're well positioned to do that work, given our track record of creating value along Highway 117 in the Abitibi.

We continue to extend the deposit at depth at Meliadine, so that's continuing to show it's a long-life asset. As you know, we're considering accelerating a Phase 2 expansion there. We'll talk about that.

We continue to get good results at Upper Beaver at Kirkland Lake. And I think, strategically, that's an important land position, not only from the drill results that we're getting, which is showing the ability to grow the Upper Beaver deposit, but also our neighbour, Kirkland Lake Gold, has announced recently some, what could be significant results on the amalgamated break. And our project and property position is continuous to that property position.

And at Santa Gertrudis in Mexico, we continue to expand the higher-grade Amelia deposit, and we'll have a continued drill program on that property in 2020.

Although we had record production, it wasn't all driven by the fact that we have brought on two new mines in Nunavut. We saw record production coming out of the LaRonde complex of about 107,000 ounces. We saw record production since the restart at Goldex. We saw record throughput at Canadian Malartic. We saw record production at Kittila, with record throughput. And as we said, we continue to ramp up our newly built Nunavut operations.

So I think what we take out of that is there's still upside in terms of being able to grow that production. But also, the total operating margin is growing as we increase our gold production, and that's driving an increase in operating cash flow. The operating margin in Q3 was three hundred—almost \$367 million, so that's certainly helping our financial results, both earnings and cash flow per share.

Our cash provided by operating activities was almost \$350 million, \$1.47 a share. This has resulted in an improvement in our financial position, with our cash position growing, which is lowering our net debt, so improving our financial flexibility. Our cash position at the end of the quarter at \$265 million.

Our dividend. Just based on some context there, as you know, we've paid a dividend for 36 consecutive years. But not many sort of have realized that this will be the sixth straight year that we've had an increase in our total dividends paid in the year, and that was during a period where, for the most part, gold was relatively flat around \$1,200. And we had, in that period, as you know, our largest and heaviest CapEx spend in our history.

So our focus really continues to remain on steadily growing our output over the next several years in a measured way, with continued investment in exploration, where we continue to demonstrate

good success in adding value by extending deposits, continue investment in our project pipeline, and while doing this, we're in a position to generate net free cash flow, reducing debt, and paying more dividends. So that will continue to be the focus.

Moving to the operations. As we said, the LaRonde complex had a record quarter, combined production of 107,000 ounces. Of that, LaRonde was 92,000 ounces, with extremely good unit cost performance of \$454 in total cash costs. So even after 30-plus years, LaRonde continues to be a significant contributor to the Company.

We continue to open up the deeper part of the mine. We can see the impact that the western part of the lower mine has on our production and unit costs in the quarter, as we get higher grades coming from that western area. We're also focused on the implementation of the automated mining equipment. We continue to make good progress there, and we're building some flexibility into our production profile by focusing on Zone 11-3 at LaRonde.

The LaRonde Zone 5, which was the old Bousquet property, we would look at that as another excellent example of the advantage that we have in being able to be patient in a region where we are the dominant player. Sort of 15 years or so ago, we purchased the Bousquet property from Barrick for C\$7 million. In the initial years, we actually transferred some of the underground mining equipment to Pinos Altos to help with the development of that project.

The LZ5, we just have returned our capital investment there and got payback on that project in about 18 months. So that's an excellent example of how we can stay focused, use our local expertise, and take advantage of opportunities that exist there to create value. The opportunity here was always to get something started and to focus on potentially bringing additional ounces that we know exist on the property, so we're currently looking those opportunities. And we actually continue to drill below the old

workings at Bousquet, and we've actually had some recent interesting drill results, which suggest that there is potential across the Bousquet property at depth. So again, it helps to be able to be patient and be in a strong position to take advantage of opportunities.

At Canadian Malartic, as we mentioned, we set a new quarterly record for tonnes milled. I think we averaged 57,500 when the property was purchased by Agnico and Yamana and taken over in June of 2014. The processing rate was about 48,500 tonnes a day. So the team at Canadian Malartic have done an exceptional job, as we expected, to gradually, over time, increase the efficiency and optimize the plant and optimize the mining rate. And we see that in the solid production and good cash cost performance of that mine.

We talked early about East Malartic, on the Odyssey zones and the recent discovery at East Gouldie. As we said, it's still early. There's a lot more work to do, but clearly, we'll focus on keeping those drills turning, try to understand the potential of East Gouldie, and then use our collective expertise in underground mining; determine what we can do with that opportunity, and how we can potentially extend the mine life at Canadian Malartic but also add and improve the returns on that asset.

At Goldex, we certainly benefitted from higher grades. We certainly benefitted from improved performance with the Rail-Veyor system, which is allowing us to increase volumes in the mine. As a result of that, we're studying whether we can actually increase the mining rates going forward.

We continue to get good results mining in the South Zone. That's a smallish but higher-grade area. There's still exploration potential there and on the Deep 2 Zone. So we're really focused on that. But again, congratulations to Goldex; 37,000 ounces at total cash costs of 549, and they continue to just optimize and take advantage of the opportunities that exist there.

Meadowbank, Portage pit, essentially done now. So that operation extended almost a year from what we had expected a few years back. So we're basically at the point now where we're fully transitioning to the Amaruq deposit from Meadowbank.

At Amaruq, we achieved commercial production, we said, at September 30th. Our mining sequence has been delayed due to water, essentially, just limiting the minable surface area of the pit. We've made a lot of improvement in the last few weeks, so we've dewatered the pits. Mining, our rates have increased. We're about 75,000 tonnes now a day, so tracking to our targets.

We did do a maintenance over the last several weeks, where we had—the mill was temporarily shut down from mid-September into mid-October. The focus now, going forward, is essentially ramp up the mining and development rates but also, while we're doing that, building up stockpiles to close the year with a strong stockpile as we enter 2020.

At Meliadine, Q3 was our first quarter, the first full quarter of commercial production. We saw some nice gains in our mining rate. The Q4 mining rate, we're forecasting between 3,600 and 3,700 tonnes per day. Through mid-October, we were almost at 3,300 tonnes per day, so good performance.

From a mining perspective, getting good performance in the mill. Our recoveries have averaged 95.5 percent, which is where we expected them to be. We've seen the ability to mine more than the design capacity. And as a result of that, and as we've explained in prior meetings and discussions, we're studying the potential of accelerating the Phase 2 development at Meliadine, given that extra capacity that we know exists in the plan.

As we also mentioned at the start, we continue to drill the deposit, and we're extending the mineralization at Tiriganiaq, which really demonstrates that this is an asset that will be around for us for a long time.

At Kittila, we had a very, very strong quarter, record throughput from the mill, record recoveries, record gold production. We continue to expand the zones at depth through drilling. In fact, as we move further to the north, we've recently picked up another drill hole. Not our deepest hole, but it demonstrates that there is potential as we move to the north to develop additional mineralization.

Our expansion project is progressing well. The headframe is under construction and going well, and we look forward to being able to continue to increase and expand production coming out of that deposit.

At Pinos Altos, we're looking for improvements in Q4. On our production, we continue to focus on two satellite zones to extend the life and improve the performance of that operation in Reyna de Plata and Cubiro.

At Creston Mascota, where we've extended that, we now expect it to continue to April 2020, so another one of these operations that we continue to optimize as it nears the end of its productive life. And at La India, the focus remains on El Realito drilling and potential to increase the mineral resources at that site and extend the mine life at La India.

So just to summarize before we take questions. As we said at the start, we're here, sort of completing Q3 2019, entering Q4, sort of tracking where we expected to be in terms of production, in terms of our cash-generating ability, in terms of our focus on increasing payouts to shareholders through the increase in dividends.

So the focus in Q4 is to continue to ramp up the newly commissioned mines in Nunavut and position the Company for further growth in production and cash flow generation in 2020 and for several years beyond 2020.

So, Operator, if you could open up the lines, we'd be happy to take questions.

Q&A

Operator

If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. And we'll pause for just a moment to compile the Q&A roster.

Our first question comes from the line of Fahad Tariq from Credit Suisse. Your line is open.

Fahad Tariq — Credit Suisse

Hi. Good morning. Thanks for taking—

Sean Boyd

Good morning.

Fahad Tariq

—my question. You revised 2020 production guidance down, just a little, from 1.95—or to 1.95 million ounces at the midpoint. I believe it was 2 million ounces previously. But the rationale for that was a slower Amaruq ramp-up. But I'm wondering if the maintenance that was scheduled for 2020 was moved ahead to this quarter, would that not more than offset the slower ramp-up? And you know, you're—and it sounds like you're also getting a bit of extra production, extra quarter of production from Creston Mascota, which has been extended to April 2020. I'm just trying to gauge the—like is the 2020 guidance conservative? And what—like what's the thinking around the downward revision? Thanks.

Yvon Sylvestre — Senior Vice-President, Operations, Canada & Europe, Agnico Eagle Mines Limited

Well, going back to the shutdown, the advanced part was basically replacing the (unintelligible) shell and gyrate the recrusher. So had we done that in Q3 2020 as it was already planned, we would have

likely crushed material ahead of time, and it wouldn't have affected production. So I think the guidance at this stage, it's just ensuring at this stage that the ramp-up rate at the site is in place. And it's mostly related to Amaruq and slightly to the mining sequence at Meliadine that's still in a ramp-up stage.

Fahad Tariq

Okay. Thank you.

Operator

Again, if you would like to ask a question over the phone, please press *, 1 on your telephone keypad.

And our next question comes from the line of Mike Parkin from National Bank. Your line is open.

Mike Parkin — National Bank

Thanks, guys, for taking my questions—

Sean Boyd

Hey, Mike.

Mike Parkin

—and congrats on the good quarter.

Sean Boyd

Thank you.

Mike Parkin

First off, you've got debt coming due next year. So I'm just trying to get a sense from you in terms of how to think about the CapEx guidance for next year. You've already given some pretty good colour that your kind of minimum spend is around 350, 400. And if you kind of pushed full steam ahead on your whole growth pipeline, it could be maybe as high as 700. Is the way of that kind of balancing, is that sort

of a—to ensure that the debt gets covered off? And that 300-ish million delta is kind of dependent on the gold price? Is that how we should think of it? Or would you be willing to kind of consider refinancing some of that debt to ensure that the growth portfolio moves ahead as quick as possible?

Sean Boyd

Yeah. Those are—we've laid out all of the considerations we're currently working through as we finalize our budgets and life-of-mine planning process right now. So one of the items that would be newer would be the Meliadine Phase 2. So that's one that we believe we'll move forward with in February. So that's a strong project. We wouldn't delay that project because we needed 10 million or 20 million or \$30 million during that first part of the year to fully repay the debt. So the gold price will determine where we are in April, after what we would expect to be two very solid quarters of production and cash generation.

So our focus is to pay debt when it becomes due. That's certainly the intention, but the focus is also to optimize the investment opportunities that our current pipeline presents to us.

Mike Parkin

Okay. That's perfect. That's kind of what I was thinking.

And then on Meliadine Phase 2, what would you be—is there any potential to get a bit of colour on what that potential spend could look like for next year? Or basically refer to the technical report and just advance everything a couple years?

Yvon Sylvestre

Well, at this stage, we've provided some preliminary information on the tour in August. We've clarified our expectations for CapEx for the rest of the year. We're basically in the final stage of studies presently with the pit, so we'll clarify these numbers in the Q1 release.

Mike Parkin

Okay.

Yvon Sylvestre

Q4 release. Sorry.

Mike Parkin

And then on East Gouldie, that certainly looks pretty exciting. What's the plan? So like, you're still trying to just determine the ultimate envelope of this target? Or are you looking at maybe doing a bit of infill work on that as well?

Guy Gosselin — Vice-President, Exploration, Agnico Eagle Mines Limited

No. Well, at the moment, we have five rigs, and the near-term priority is to obviously define the—the size of the zone and initiate some infill drilling just to bring it to a—a portion of it to inferred resources. So we're just trying to understand the size and the grade and make sure that we are infilling it to better understand what it is.

Mike Parkin

And because of the rockiness that it's sitting in, is it potentially softer than what you're milling at Canadian Malartic today?

Guy Gosselin

No. It's basically the same most rock than we were mining in most of the Canadian Malartic. And so all of the western part and the southern part of the main pit at Canadian Malartic, it's the same most rock. It's the continuation of the zone that we're seeing in the southern portion of the pit.

Mike Parkin

Okay. Great. That's it for me. Thanks.

Operator

Our next question comes from the line of Carey MacRury from Canaccord Genuity. Your line is open.

Carey MacRury — Canaccord Genuity

Hi. Good morning, guys. Just a question on Malartic. Just wondering, with the underground moving along, when you'd be in a position to actually sort of make a construction decision on the underground.

Sean Boyd

Yeah. I'll just start. In our view, it's way too early. And it's actually a good question because what we have to consider is our existing pipeline. And we would stack up things like Meliadine Phase 2. We would stack up Amaruq underground. We would stack up Goldex, as we go deeper, ahead of Canadian Malartic underground. And so our focus is on taking advantage of those opportunities that we know a lot better and before we get to allocating any significant capital to Canadian Malartic underground.

There's a lot of thinking that needs to go into this besides just getting more drill information and understanding it because this is—the East Gouldie, if it's a minable deposit, will require a shaft, which is significant capital, significant lead time. How could that ultimately integrate with Odyssey? And Odyssey goes down to about 900 metres. So it's fairly complex, so it needs a lot of thinking. I think we come at it from—the perspective is we're excited, but it's early. But it's going to take a lot of analysis and thinking and hard work to turn it into a reality.

Carey MacRury

And is there any concern, as the open pit's depleting, not having enough ore to fill the mill in the future? Or how do you think about that?

Sean Boyd

Yeah. I think you could—some could make the case that we should speed up, so that you could have some overlap between the open pit and the underground. But until you really understand it, that would probably be not the best allocation of capital. And we would rather understand it, and we would rather understand it from the perspective of, does it have the potential to be something stand-alone down the road.

Carey MacRury

Okay. Great. And then maybe one more question on the balance sheet. You have the 360 million in debt due next year. But beyond that, I don't think there's anything due until 2022. So as your free cash flow ramps up, are you considering buying back debt early? Or what's your thinking on the balance sheet there?

Sean Boyd

Yeah. It's pretty hard to buy that debt back early. It's in the private placements insurance market in the US. There's lots of penalties there, so we just wait until it comes due.

Carey MacRury

Okay. Great. Thank you very much.

Operator

Our next question comes from the line of Tanya Jakusconek from Scotiabank. Your line is open.

Tanya Jakusconek — Scotia Capital

Yes. Good morning, everybody. Great quarter.

Sean Boyd

Morning.

Tanya Jakusconek

Wanted to come back on Meliadine, if I could, and just talk a little bit about what is on the critical time path for us to move this two years ahead to 2021. There's obviously having to make adjustments to the mill. And I think when we were on the mine tour—correct me if I'm wrong—I think we were talking about a capital of under 150 million and to put a Vertimill in. Is that still what you're thinking?

Yvon Sylvestre

Well, we're reviewing the various scope of the sector's unit operation presently. We're refining these costs. And we're also refining the mining cost scenarios at this stage. So as we move ahead with these, we'll confirm the pricing on total project costs. But this will move ahead pretty quickly, and it will be phased out towards 2022 production at 6,000 tonnes per day.

Tanya Jakusconek

Okay. And so would most of the spend then occur in 2020 and 2021, whatever that capital will be?

Yvon Sylvestre

It would be spent on the mining side in 2020, on the milling side and mining side in 2021.

Tanya Jakusconek

Okay. And then what—what's critical on the path line in terms of permitting? There would be, obviously, an adjustment to the permits for the mill. And what about the open pits and water discharge?

Yvon Sylvestre

No. Most of these permits are already in place now for—for the pits, so nothing significant at this stage.

Tanya Jakusconek

From a permitting front.

Yvon Sylvestre

Correct.

Tanya Jakusconek

Okay. Perfect. So I'd look forward to getting more on that. And then maybe just coming back to the Amaruq. The underground scenario, we're looking to get more information on that, I think, with Q4 financials. Do you still see that as coming in, both as an underground with an open pit component? That we do need both of those to have—in terms of keeping that mill filled, it just can't do it with the underground alone?

Yvon Sylvestre

Yeah. That's correct. But I think, as we continue the focus on internal opportunities, like Sean's talked about, the underground opportunity is one of them. And we're trying to just get what's the best NPV for the overall site, and the underground component, while the pits are in place, are certainly a big part of that.

Tanya Jakusconek

Okay. And how are you finding the ground conditions underground at Amaruq?

Yvon Sylvestre

So far—so far, excellent. We haven't had any issues with development and very little rehab as we go ahead.

Tanya Jakusconek

Okay. And then maybe my last question for Sean is, with all of this exploration success and there's a lot that you flagged, do you think you'll be able to replace your reserves and resources this year?

Sean Boyd

That should be a Guy question. But we're still working on that. I think that I would expect to be around flattish—

Tanya Jakusconek

Flat.

Sean Boyd

—from last year, based on what we see now. There's still work to do, but that's where we're sort of thinking.

Tanya Jakusconek

Okay. Okay. That's good. Great. Thank you very much.

Sean Boyd

Okay.

Operator

Our next question comes from the line of Steven Butler from GMP Securities. Your line is open.

Steven Butler — GMP Securities

Good morning, guys. Again, a—

Sean Boyd

Hey, Steve.

Steven Butler

—great quarter. Congrats.

Sean Boyd

Thank you.

Steven Butler

And good morning—thanks, Sean. Question again, just to clarify maybe with respect to as we go into fourth quarter—and you’ll elaborate more on the CapEx spending over the next couple of years and thereafter. I expect a multiyear guidance, I suppose. But for Meliadine, we’ll get a CapEx number there for Phase 2. What other projects will we see growth capital likely allocated towards, Sean, in 2020, ’21?

Sean Boyd

We still have work to do in Finland on the expansion.

Steven Butler

Right.

Sean Boyd

Amaruq underground would certainly be a focus there. So those are sort of the principal growth CapEx—

Steven Butler

Right. Okay.

Sean Boyd

—components.

Steven Butler

Yeah. You previously elaborated, do you not—you provided a number for Finland some time ago. I can’t remember the CapEx for the mine mill expansion.

Sean Boyd

Yeah. I don’t have that in front of me.

Steven Butler

Yeah. That's fine. Guy, at LaRonde, you had good reserve additions last year at the deeper part of the asset, beneath 3.1 kilometres, and the resources are still—can you give us a sense and remind us again, how deep are your resources reaching at LaRonde? And do you think you've done enough drilling this year for additional reserve conversion? Or maybe just simply replacement, as Sean alluded to, at least corporately?

Guy Gosselin

Well, we are currently considering more on the level-per-level approach for resources conversion. So we saw a significant conversion last year. We certainly do not expect to see that coming back this year. And now—

Steven Butler

Right.

Guy Gosselin

—now we are studying it slowly as we go downward in the deposit. And we are not expecting to see us replacing what we have been mining this year.

Steven Butler

Okay. Okay. Sounds fine. And, Yvon, maybe for you, just your experience so far—it's early days at Meliadine. But the cost per tonne, do you expect to see some improvements in that number? Or are you kind of where you expected to be on a unit cost basis?

Yvon Sylvestre

Well, we're not too far presently on the unit cost. The costs at the plant are a little bit higher than we had forecasted at the beginning, mostly because of labour, as we're continuing the ramp-up.

Steven Butler

Mm-hmm.

Yvon Sylvestre

But so far, the mining costs have been pretty well on track. As we continue to get more maturity in the mining side of it, it will—it could be expected that we'll get more opportunities towards cost reduction. So I think you're correct in that sense. To what extent, time will tell.

Steven Butler

Okay. Merci beaucoup. Thanks.

Operator

Our next question comes from the line of Anita Soni from CIBC. Your line is open.

Anita Soni — CIBC Capital Markets

Good morning, guys. Congratulations—

Sean Boyd

Morning.

Anita Soni

—again on a good quarter.

Sean Boyd

Thank you.

Anita Soni

And I guess my questions, most of them have been asked. But I wanted to get an idea of where you're thinking for next year, given the rise in gold price. Reserves, you've done it at a conservative 1,150. What are you thinking for next year? And in terms of your budgets, like how you think about your capital allocation. What gold price do you think you'll be using for next year?

Sean Boyd

Twelve hundred.

Anita Soni

For reserves, right?

Sean Boyd

Yes.

Anita Soni

And budgets, any different than the reserve price? Or—

Sean Boyd

Not really. Around the same.

Anita Soni

Okay. And then just in terms of Amaruq. So it seems like the throughput slowed down in the next couple of—I mean, obviously, you guys have highlighted some of the dewatering issues that you had there. But how does that play out over the second half of the year? You gave us some guidance into Q4 and Q1, but could you give a little idea of sort of how that ramps up over the next couple of years?

Yvon Sylvestre

Not sure I understand the question, Anita. You're talking about 2020, next year?

Anita Soni

Yes. So you gave—you said—I think you said 650,000 and then 620,000 tonnes in each quarter. And I was just wondering if that's about the same pace for the remainder of the year at Amaruq.

Yvon Sylvestre

Well, the target to finish the year, we'd certainly like to be in the 90,000 tonnes per day. We're currently at 75,000 tonnes per day, so ramped up from last month at 60,000 tonnes per day. So the target is 90,000 and slowly ramping up to 100,000 tonnes per day by the end of next year.

Anita Soni

And that's what's in my dreaded strip question, but obviously essential to figuring out how you fill a mill. So what's the strip, at 8 to 1 right now?

Yvon Sylvestre

Don't know exactly the number—probably around 7.

Anita Soni

Okay. All right. Thanks. That's it for me.

Operator

And our next question comes from the line of Ralph Profiti from Eight Capital. Your line is open.

Ralph Profiti — Eight Capital

Good morning. Thanks for taking my question.

Sean Boyd

Morning.

Ralph Profiti

I just wanted to come back to Meliadine and get a little bit more specific on the productivity improvements. When you think about Q4 being about 3,660 and the mill seems to be operating at around 4,500, even before we get to Phase 2 expansion, I'm just wondering if that's going even out. Is this just a question, in terms of productivity, of sort of moving more ore? Or are we looking at some scope changes?

Yvon Sylvestre

No. It's mostly productivity underground. Up to this stage, we've been quite dependent with the sequence itself and getting the paste in the—in the sequence. We've achieved quite a bit of productivity improvement on the mill side with paste. So they're slowly starting to catch up. So once that is in place, that's going to be a big benefit.

Second point is that the—I guess we're in the optimization phase, now that—for the various aspects of the sequencing part. So there's several ideas that are coming up on the drilling side, blasting side, and so on that they'll progressively implement, that will see us like get step change—

Ralph Profiti

Yeah.

Yvon Sylvestre

—towards getting us to 3,750. So we're pretty comfortable with that number at this stage.

Ralph Profiti

Great. That's it for me. Thank you.

Operator

And if you would like to ask a question over the phone, please press *, 1 on your telephone keypad.

And there are no further questions at this time. I will turn the call back over to Mr. Boyd for closing remarks.

Sean Boyd

Thank you, Operator, and thank you again, everyone, for participating in our conference call. Take care.

Operator

And this does conclude today's conference call. You may now disconnect.