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NEWS RELEASE

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For Immediate Release
April 30, 2008

IKONICS Breaks Ground on Morgan Park Construction Project

DULUTH, MN - IKONICS Corporation (Nasdaq: IKNX), a Duluth based imaging technology company, will break ground May 1 at 3:00 pm on the site of the company's recently acquired 11 acre property in Morgan Park—former site of the Universal Atlas Cement Company. Ikonics purchased the land from the Duluth Economic Development Authority (DEDA) for \$366,000 on April 7th, with an option to purchase an additional 4 acres. The May 1 groundbreaking represents initiation of “Phase 1” of the Ikonics expansion, which includes the construction of a 35,000 square foot manufacturing and warehouse facility. According to Ikonics CEO, Bill Ulland, this Phase 1 development is part of a long-term plan for the company.

“We were simply out of room at our Grand Avenue location,” Ulland said. “Further, our new business initiatives require a new location; and, eventually, the idea is to have all our operations on one campus. The Morgan Park site fits nicely with those plans.”

Ikonics will benefit from the state's Job Opportunity Building Zone (JOBZ) initiative, a Minnesota Department of Employment and Economic Development (DEED) program designed to offer tax incentives to companies whose expansions result in job creation in Greater Minnesota. Minnesota DEED Commissioner, Dan McElroy, who plans to be present for the groundbreaking, was enthusiastic about the Ikonics development.

“This is the sort of initiative the JOBZ program was engineered to support,” McElroy said. “Ikonics is a long-standing, well respected corporate citizen and employer in Duluth and it is gratifying to see it expanding its business and supporting new jobs for the local economy.”

Duluth Mayor, Don Ness, is also scheduled to be on hand, along with several City of Duluth and DEDA officials, including DEDA Executive Director, Tom Cotruvo and DEDA Board President and Duluth City Counselor, Jim Stauber. Mayor Ness expressed optimism regarding the expansion, praising both DEDA and Ikonics for the work invested in finalizing the purchase and in planning for future development.

“This is a good story for Duluth, all the way around,” Ness said. “We're proud to have a prospering Ikonics as part of our corporate community and we're proud of DEDA's efforts in facilitating this important development on the City's behalf.”

Johnson Wilson Contractors, general contractor for the project, along with LHB Engineers and other subcontractors are scheduled to attend the groundbreaking, as are representatives from several local community groups.

Phase 1 construction is estimated for completion in October, 2008.
