

NEWS RELEASE

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IKONICS Corporation Acquires Image Mate™ From Franklin International

DULUTH, MN - IKONICS Corporation, a Duluth-based imaging technology company, announced today that on December 29, 2006, it acquired, from Franklin International of Columbus, Ohio, its Image Mate™ line of screen printing products.

For 2006, Image Mate sales are estimated to be \$600,000. The Image Mate assets, including inventory, were purchased for \$380,000 in cash, plus other considerations, including a long-term agreement to purchase key raw materials from Franklin International. The purchase was funded with available cash.

Bill Ulland, CEO at IKONICS, said that the acquisition will grow sales by bringing new and complementary products to the company's domestic Chromaline Screen Print Products division, as well as strengthen international offerings.

"Franklin International has done an admirable job of formulating and promoting the Image Mate line," Ulland said. "We look forward to advancing the brand by providing enhanced sales, marketing and product development support to the Image Mate distributor network."

All Image Mate production will be moved to Duluth; and employment offers have been made to two Image Mate employees. Additional manufacturing staff will be required in Duluth.

Evan Williams, President, and COO at Franklin International, expressed optimism in reaction to the Agreement: "This asset sale represents a great opportunity for Franklin's technology to find a more strategic home and for Franklin and IKONICS to thrive together in an important new relationship."

This press release contains forward-looking statements regarding sales, net earnings, and new products that involve risks and uncertainties. The Company's actual results could differ materially as a result of domestic and global economic conditions, competitive market conditions, acceptance of new products, the ability to identify and make suitable acquisitions, as well as the factors described in the Company's Form 10-KSB, Forms 10-QSB and other reports on file with the SEC.