

NEWS RELEASE

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IKONICS Acquires Option to Purchase City Land

DULUTH, MN - IKONICS Corporation, a Duluth-based imaging technology company, announced that the Duluth Economic Development Authority (DEDA) has approved an agreement that gives Ikonics Corporation the option to purchase approximately 15 acres at the former Universal Atlas Cement Company plant site in the Morgan Park neighborhood of Duluth. The purchase price is approximately \$500,000.

The purchase is contingent on a mutually agreeable development agreement and plan, environmental testing and other conditions that generally accompany a land sale of this type. The city will bring public utilities into the site as part of the agreement.

If Ikonics exercises the option to purchase the site, the company plans to construct a manufacturing and shipping facility on the site in 2008, with the eventual goal of moving all of its operations there.

Bill Ulland, Ikonics CEO said, "We are out of room at our Grand Avenue location and our new business initiatives dictate that we find a new location, with the goal of having all our operations on one campus. The Cement Plant site is the only location in Duluth that fits these needs and we want to stay in the community."

The Cement Plant site, formerly operated by the Universal Atlas Cement Company, was closed in 1975 and razed. DEDA acquired the 64 acre brown field site in 2003. Preliminary environmental testing does not indicate any significant environmental problems associated with the 15 acre site. DEDA has the ultimate responsibility for any such issues.

IKONICS Corporation is a publicly traded (NASDAQ: IKNX) company founded in Duluth, 1952.

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.