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IKONICS DECLARES ONE-TIME SPECIAL CASH DIVIDEND OF \$1.00 PER SHARE

DULUTH, MN - IKONICS Corporation (NASDAQ:IKNX), a Duluth based imaging technology company, today announced that its Board of Directors declared a one-time special cash dividend of \$1.00 per share, payable on December 31, 2012 to shareholders of record at the close of business on December 20, 2012. The total amount of the one-time dividend will be approximately \$2.0 million based on the current number of shares outstanding and will be paid with current cash reserves. IKONICS CEO, Bill Ulland commented, "We are pleased to declare this special dividend to our shareholders. This dividend reflects our strong balance sheet, steady performance over the past years, and our optimism for IKONICS' future. We believe this dividend, the first cash dividend in our Company's history, is an appropriate way to reward our shareholders and maximize their benefit from this one-time event prior to potential tax rate increases in 2013."

After payment of the special dividend, the Company plans to continue executing its existing growth plans with its remaining cash reserves and future cash generated from operations. IKONICS has no long term debt.

This press release contains forward-looking statements regarding future plans, operations and results that involve risks and uncertainties. The Company's actual results could differ materially as a result of domestic and global political and economic conditions, competitive market conditions, lack of acceptance of new products, availability of equipment sold by the Company or for use with its products, raw materials costs, unexpected capital expenditure requirements, the ability to control costs without impacting growth as well as the factors described in the Company's Form s 10-K, and 10-Q, and other reports on file with the SEC.