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NEWS RELEASE

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COREL AND IKONICS LAUNCH NEW CORELDRAW® GRAPHICS SUITE 12/HALF-WIZ SOFTWARE PACKAGE

Joint Solution Provides a Faster & More Cost-Effective Process for Creating Halftone Images – Users Can Now Easily Create High-Quality Half-Tone Images for Etching and Engraving on Glass, Metal, Stone and Other Substrates

DULUTH, MN -- Corel and IKONICS Corporation today released a new, joint solution enabling users to quickly and easily convert simple line images into photographic quality halftone images. The new CorelDRAW® Graphics Suite 12/Half-Wiz solution combines the photo-editing power of Corel's award-winning graphics suite with IKONICS' Half-Wiz halftone wizard product. Working in the familiar and easy-to-use Corel environment, professionals in the personalization and awards industries can now reduce the amount of time it takes to prepare a half-tone image from hours to minutes while greatly enhancing the quality of their work.

The CorelDRAW® Graphics Suite 12/Half-Wiz solution provides an easy-to-use wizard interface to Corel PHOTO-PAINT® 12 – the powerful digital imaging application included in the CorelDRAW suite – enabling users to prepare an image for half-tone applications with just the click of a button. The new technology lets users capture the shadows and light of an image to dramatically improve the quality of awards and other personalized items while substantially reducing production time and costs.

The new CorelDRAW Graphics Suite 12/Half-Wiz offering will debut at the Awards and Custom Gift Show on August 12-14, 2004 at the Long Beach Convention Center in Long Beach, CA. Demonstrations will occur at the IKONICS Booth #609.

Corel PHOTO-PAINT 12 and the Half-Wiz halftone wizard are used together with IKONICS' RapidMask High Definition photo resist film to provide a simple and cost-effective method for producing finished, high quality products. Now customers are able to quickly and easily create an extremely attractive, unique and permanent photographic image which carries a much higher value than an alternatively imaged piece.

“Professionals working in the personalization and awards industry are always looking for ways to differentiate their products from their competitors,” said Nick Davies, Director of Graphics for Corel. “Our joint solution with IKONICS enables professionals to create more realistic photo images on their trophies, plaques, glass and tiles without added production costs and cycles.”

In addition to personalization markets, the CorelDRAW Graphics Suite 12/Half-Wiz solution can also be used by customers in a variety of other industries including interior and exterior architecture, signage, commemorative plaques or any application where creating a detailed permanent halftone image is desired.

"The CorelDRAW Graphics Suite 12/Half-Wiz solution is a key component of our strategy to provide our customers with a total system for the use of our products," said IKONICS Chief Executive Officer Bill Ulland. "We are expanding the functionality of our Rapid Mask photoresist films and related equipment in new markets such as photography and signage, where high resolution, permanent images are needed."

The new solution will be sold exclusively by IKONICS. Plans for launching the solution in additional markets, including signage, laser engraving and other graphic arts markets, are now underway.

Pricing and Availability

The CorelDRAW Graphics Suite 12/Half-Wiz solution is available immediately from IKONICS. Customers who purchase this software bundle will receive CorelDRAW Graphics Suite 12 which includes CorelDRAW 12 and Corel PHOTO-PAINT® 12 along with a collection of other valuable software, fonts, photos and clipart. Pricing starts at \$449.00. For more information, contact IKONICS at 1-800-328-4261.

About Corel Corporation

Corel provides innovative software solutions and services that help millions of customers worldwide improve their productivity. Founded in 1985, the Company is best known for its leading graphics and office productivity solutions, including CorelDRAW®, Corel® Painter™, and WordPerfect®. With its headquarters in Ottawa, Canada, Corel has offices around the globe. For more information, please visit www.corel.com.

About IKONICS

IKONICS is a worldwide imaging technology company that sells to the abrasive etching industry through its PhotoBrasive Systems division and to the screen printing industry through its Chromaline Screen Print Products division. IKONICS recently announced its entry into the signage industry through its SignEtch business unit. IKONICS trades on the Nasdaq as IKNX.

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This press release contains forward-looking statements regarding sales, 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.

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