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## **IKONICS CORPORATION and KURABO INDUSTRIES ANNOUNCE ALLIANCE**

DULUTH, MN - IKONICS Corporation (NASDAQ:IKNX), a Duluth-based imaging technology company, announced today that it has entered into an Exclusive Distribution Agreement with Kurabo Industries Limited of Osaka, Japan for sales of its Digital Texturing (DTX) technology to the Japanese auto industry in Japan, China and southeast Asia. Kurabo is a 123 year old diversified textile and electronics company with 2010 sales of more than \$1.8 billion.

Ikonics is introducing its patented DTX technology to the world-wide mold texturing industry. Although mold texturing is used primarily to put textured surfaces in automobile interiors, it has wide application for texturing other surfaces. DTX brings both significant labor savings and improved quality to the industry. Within the past year, DTX has been used on the GM Volt® and Camaro®, the Volkswagen Passat®, Beetle® and Rabbit®, and the Chrysler® 300, 200, Challenger®, Charger® and Avenger®.

Bill Ulland, Ikonics CEO, said "I am thrilled with this association with Kurabo. I believe their expertise in digital printing and strong sales and marketing skills make them our ideal partner for the very large Japanese auto industry as well as other texturing applications. The initial reaction of Japanese automakers to our technology and this alliance has been very encouraging."

Masayuki Fukui, Representative Director of Kurabo said, "I am very glad that we have this chance to bring Ikonics' digital texturing technology to this market. Through this alliance between with Kurabo and Ikonics, I expect to expand our digital printing business into the mold making industry, which is a new area for us."

"I believe the Ikonics DTX technology is a great solution to the needs of the mold texturing industry and will help that industry change from its traditional methods to an inkjet technology that will contribute to increased productivity and environmental protection".

Ikonics has made a substantial investment to develop the DTX technology starting in 2005 with a state-of-the-art inkjet lab in Duluth. In 2010, the company began working with a Detroit beta site to optimize the process in the work-place. Also in 2010, Ikonics announced a strategic alliance with Colour Scanner Technology GmbH ("CST") of Krefeld Germany to supply custom inkjet printers for DTX. Currently, Ikonics is also working with Chicago-based ITW Trans Tech for the supply of a second version of the printer.

This agreement with Kurabo Industries substantially extends Ikonics' market reach and allows the company to sell DTX consumables (fluids and substrates) world-wide. With the Kurabo agreement in place and printers currently being manufactured by both CST and ITW, the company anticipates strong sales of DTX consumables in 2012 and beyond.

This press release contains forward-looking statements regarding sales, gross profits, net earnings, and new products and businesses 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, availability of equipment sold by the Company or for use with its products, raw materials costs, the ability to identify and make suitable acquisitions, the ability to control costs without impacting growth as well as the factors described in the Company's Form 10-K, and 10-Q, and other reports on file with the SEC.