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# NEWS RELEASE

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## IKONICS ANNOUNCES NEW BUSINESS LAUNCH

DULUTH, MN - IKONICS Corporation, a Duluth based imaging technology company, announced the launch of its new SignEtch business unit. SignEtch is a complete system that gives customers the ability to make a broad array of high quality sign products with a low investment in equipment. SignEtch also will mark the commercial introduction of IKONMetals, unique etchable metals developed at IKONICS.

In addition to an exposure unit, the principal piece of equipment in the SignEtch System is the CrystalBlast cabinet, which is widely recognized for its quiet operation and cleanliness. The major benefit to IKONICS will be from the sale of consumable photoresist films and etchable materials to sign makers. In addition to IKONMetals, the etchable substrates initially will include anodized aluminum, painted metals, a proprietary resin-fiberglass, polished stone and glass.

The use of IKONICS' new RapidMask™ High Tack photoresist, in most cases pre-laminated to the substrate, makes the process fast and simple, while the CrystalBlast machine makes it quiet and clean. The investment in equipment, sold by SignEtch, is estimated at \$7,000 and, with prepared artwork, most signs can be made in less than 5 minutes.

Ken Hegman, formerly sales manager at IKONICS' PhotoBrasive Systems division, will lead the SignEtch business unit. Hegman said, "SignEtch opens up a significant business opportunity for people to make high value signage with very little investment."

SignEtch is targeted at new entries into the \$2.5 billion domestic retail signage industry and in-house sign making operations. The remainder of 2004 will be focused on further market definition and product introduction, with significant revenues not anticipated until 2005.

IKONICS stock is listed on the Nasdaq SmallCap market under the symbol IKNX.

*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 on file with the SEC.*