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## **IKONICS DETAILS EXPANSION PLANS**

DULUTH, MN - IKONICS Corporation (NASDAQ:IKNX), a Duluth-based technology company, provided more detailed information on the expansion plans for its Advanced Materials Solutions (AMS) business unit, which produces products for the aerospace and electronics industries.

The new, 27,300 square foot structure will contain a 20,500 square-foot production floor in addition to offices and ancillary facilities. The building will be an addition to IKONICS 37,000 square-foot building on its Morgan Park site in western Duluth, which currently houses AMS production, warehousing, shipping and film conversion for all IKONICS business units. All AMS activities will relocate to the new facility.

The new production floor will be able to accommodate five robots as well as other automated equipment for machining carbon fiber composites, electronic wafers and other advanced materials, such as graphite, ceramic matrix composites and Kevlar. Equipment will be added as needed.

Sue Boudrie, AMS Operations Manager, said this new space and equipment will dramatically increase AMS' production capacity and result in a more efficient manufacturing work flow. "Most importantly, it allows us to participate in the strong-growth of commercial aviation with more than 30,000 new aircraft estimated to be produced over the next 20 years and the increasing utilization of composite materials in these aircraft, primarily for weight reduction, where our technology has important applications."

Groundbreaking is estimated for early July of this year, with occupancy expected in April of 2016.

For this expansion, IKONICS received a \$507,000 award from the Minnesota Department of Employment and Economic Development through the Minnesota Job Creation Fund.

"With this award and our strong cash position we plan to finance this building with little or no borrowing, although the acquisition of additional equipment may require taking on some debt," said Bill Ulland, IKONICS CEO.

"In addition to adding aerospace jobs to the Duluth economy, this expansion is part of our plan to diversify IKONICS sales into large dynamic markets befitting a publicly traded corporation," Ulland added.

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This press release contains forward-looking statements regarding balance sheet position, capital expenditures, financing activities and cash flows, expansion project timelines, industry trends and new products, technologies and businesses initiatives that involve risks and uncertainties. The Company's actual results could differ materially as a result of downturns in the aerospace industry, unexpected construction delays in the expansion of the Company's AMS business, unexpected production delays by the Company's customers, lack of acceptance of new products and technologies, introduction of new products or technologies by competitors, domestic and global economic conditions, inherent risk and uncertainty in the protection of intellectual property rights, the ability to control operating costs without impacting growth as well as the factors described in the Company's Forms 10-K, and 10-Q, and other reports on file with the SEC.