

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 1, 2021

IKONICS CORPORATION
(Exact name of registrant as specified in its charter)

<u>Minnesota</u> (State or other jurisdiction of incorporation)	<u>000-25727</u> (Commission File Number)	<u>41-0730027</u> (IRS Employer Identification No.)
<u>4832 Grand Avenue Duluth, Minnesota</u> (Address of principal executive offices)		<u>55807</u> (Zip Code)

Registrant's telephone number, including area code (218) 628-2217

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.10 per share	IKNX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

As previously announced, IKONICS Corporation (“IKONICS”) and TeraWulf Inc. (“TeraWulf”) have entered into an Agreement and Plan of Merger, dated as of June 24, 2021, as amended (the “merger agreement”), with respect to a strategic business combination involving IKONICS and TeraWulf. Pursuant to the terms of the merger agreement, (i) Telluride Merger Sub I, Inc. (“Merger Sub I”), a wholly owned subsidiary of Telluride Holdco, Inc. (“Holdco”), which is a wholly owned subsidiary of IKONICS, will merge with and into IKONICS, (the “First Merger”), with IKONICS surviving the First Merger, and (ii) Telluride Merger Sub II, Inc. (“Merger Sub II”), a wholly owned subsidiary of Holdco, will merge with and into TeraWulf (the “Second Merger”), with TeraWulf surviving the Second Merger.

On December 2, 2021, IKONICS entered into a third amendment (the “Amendment”) to the merger agreement that, among other things, (1) restores the timing of settlement of outstanding restricted stock units under IKONICS’ 2019 Omnibus Incentive Plan (“IKONICS RSUs”) to immediately preceding the First Merger, (2) supplements the fee and expense reimbursement of IKONICS’ expenses to also include all cash payments made in exchange for the cancellation of outstanding IKONICS RSUs (as described further in Item 5.02 below), and (3) more specifically addresses the timing of appointment for the post-transaction board of directors of Holdco. The expected composition of Holdco’s board of directors remains as disclosed in the proxy statement/prospectus dated November 12, 2021, which forms a part of the registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (“SEC”) and declared effective on November 12, 2021 (file no. 333-258335), as the same may be supplemented from time to time.

The foregoing description of the Amendment does not purport to be complete and is subject to, and qualified by, the full text of the Amendment, a copy of which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On December 1, 2021, the Compensation Committee of the Board of Directors of IKONICS approved the cancellation of all outstanding IKONICS RSUs in exchange for cash payment equal to \$33.82, net of applicable withholding taxes, for each share underlying the unvested portion of such IKONICS RSUs. All employees, including the executive officers of IKONICS, and directors are eligible to participate in the cancellation arrangement. Pursuant to the Amendment described in Item 1.01, TeraWulf has agreed to fund the payments in exchange for cancellation of IKONICS RSUs. Holders of IKONICS RSUs who do not participate in the cancellation arrangement are expected to receive the same consideration as other holders of shares of IKONICS common stock as a result of the First Merger.

The foregoing description of the Restricted Stock Unit Cancellation and Release Agreements does not purport to be complete and is subject to, and qualified by, the full text of the form of Restricted Stock Unit Cancellation and Release Agreement, copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 8.01. Other Events.

TeraWulf Debt Financing

On December 1, 2021, TeraWulf, as borrower, entered into a Loan, Guaranty and Security Agreement (the “Loan Agreement”) with certain subsidiaries of TeraWulf, as guarantors, the lenders party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent. The Loan Agreement provides TeraWulf with a \$123.5 million senior secured term loan (the “Term Loan”), all of which was borrowed on the closing date of the Loan Agreement (the “Loan Agreement Closing Date”). The Term Loan has a scheduled maturity date of December 1, 2024. NovaWulf Digital Management, LP (“NovaWulf”), an investment fund in which Mr. Paul Prager, TeraWulf’s Chief Executive Officer, and Mr. Nazar Khan, TeraWulf’s Chief Operating Officer and Chief Technology Officer are minority investors, is one of the lenders under the Loan Agreement.

The Term Loan bears interest at a rate of 11.5% per annum and amortizes in quarterly installments equal to 12.5% of the original principal amount, commencing after the first anniversary of the Loan Agreement Closing Date. Any prepayment of the Term Loan made prior to the first anniversary of the Loan Agreement Closing Date will be subject to a make-whole premium equal to the present value of interest that would have been payable through the first anniversary of the Loan Agreement Closing Date plus 3.0% of the principal amount prepaid, and will be subject to a prepayment fee of 3.0% if prepaid on or after such first anniversary and prior to the second anniversary of the Loan Agreement Closing Date, and a prepayment fee of 2.0% if prepaid on or after such second anniversary and prior to the maturity date. Amounts prepaid or repaid under the Term Loan may not be reborrowed.

The obligations under the Loan Agreement and the Term Loan are guaranteed by each of TeraWulf's subsidiaries as of the Loan Agreement Closing Date and any future subsidiaries of such subsidiary guarantors. Upon the consummation of the Second Merger, Holdco will assume the obligations of TeraWulf as the borrower under the Loan Agreement and the Term Loan, and TeraWulf will become a subsidiary guarantor. The obligations under the Loan Agreement are expected to be secured by substantially all of the assets of Holdco, TeraWulf and the subsidiary guarantors, but excluding the equity interests of Nautilus Cryptomine LLC, IKONICS and any future subsidiary of Holdco or TeraWulf, in each case, that is not a subsidiary guarantor.

The Loan Agreement does not include any financial covenants. The Loan Agreement includes covenants that limit changes in business, liquidations and dissolutions, mergers and consolidations, incurrence of debt and liens, asset sales, affiliate transactions, investments, restricted payments of TeraWulf, violations of sanctions, anti-corruption and anti-money laundering laws and certain other legal and regulatory compliance matters, modifications of certain agreements and reduction in ownership of, and certain other changes regarding, Nautilus Cryptomine LLC.

The Loan Agreement contains events of default customary for financings of this type, including, but not limited to, payment defaults, material inaccuracy of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy or insolvency, certain events under the Employee Retirement Income Security Act of 1974, as amended, material judgments, actual or asserted failure of any loan document to be in full force and effect and changes of control. If such an event of default occurs, the lenders under the Loan Agreement would be entitled to take various actions, including, but not limited to, accelerating amounts outstanding under the Term Loan and exercising rights and remedies with respect to the guaranties and collateral.

In addition, on the Loan Agreement Closing Date, TeraWulf issued to the lenders party to the Loan Agreement an aggregate of 839,398 shares of common stock, par value \$0.001 per share, of TeraWulf (the "Loan Shares"). The issuance of the Loan Shares was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

TeraWulf Equity Financing

On December 1, 2021, TeraWulf, entered into subscription agreements with certain accredited investors, pursuant to which such accredited investors agreed to purchase in private placement transactions an aggregate of 2,261,932 newly issued shares of common stock, par value \$0.001 per share, of TeraWulf (the "Subscription Shares") for an aggregate purchase price of approximately \$76.5 million. Substantially all of the proceeds from the purchase and sale of the Subscription Shares have been funded, with the remainder is expected to be received prior to the closing of the Transaction. TeraWulf intends to use the net proceeds from the issuance of the Subscription Shares to repay certain stockholder loans in accordance with their terms and for general corporate purposes.

The issuance of the Subscription Shares will be made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

It is expected that the Loan Shares and the Subscription Shares will automatically be converted into the right to receive the shares of common stock of Holdco in connection with the Second Merger.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit.

<u>Exhibit Number</u>	<u>Description</u>
2.1	<u>Amendment No. 3 to Agreement and Plan of Merger, dated December 2, 2021, by and among IKONICS Corporation, Telluride Holdco, Inc., Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc., and TeraWulf Inc.</u>
10.1	<u>Form of Restricted Stock Unit Cancellation and Release Agreement</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Additional Information and Where to Find It; Participants in the Solicitation

In connection with the proposed business combination between IKONICS and TeraWulf, Holdco has filed an effective registration statement on Form S-4 with the SEC that includes a proxy statement/prospectus. The proxy statement/prospectus and a proxy card has also been sent or given to IKONICS shareholders entitled to vote at the special meeting relating to the proposed transaction. The proxy statement/prospectus, any other relevant documents, and all other materials filed with the SEC concerning IKONICS are (or, when filed, will be) available free of charge at <http://www.sec.gov> and <http://www.ikonics.com/investor-relations>. Shareholders should read carefully the proxy statement and any other relevant documents that IKONICS files with the SEC when they become available before making any voting decision because they will contain important information.

This current report on Form 8-K does not constitute a solicitation of proxy, an offer to purchase, or a solicitation of an offer to sell any securities. IKONICS and its directors and executive officers are deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction. Information regarding the names of such persons and their respective interests in the transaction, by securities holdings or otherwise, will be set forth in the definitive proxy statement when it is filed with the SEC. Additional information regarding these individuals is set forth in the proxy statement/prospectus. To the extent IKONICS' directors and executive officers or their holdings of IKONICS' securities have changed from the amounts disclosed in the Proxy Statement, to IKONICS' knowledge, such changes have been reflected on initial statements of beneficial ownership on Form 3 or statements of change in ownership on Form 4 on file with the SEC. These materials are (or, when filed, will be) available free of charge at <http://www.ikonics.com/investor-relations>.

Forward Looking Statements

This current report on Form 8-K contains "forward-looking statements" within the meaning of the U.S. federal securities laws. Such statements include statements concerning anticipated future events and expectations that are not historical facts. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Actual results may vary materially from those expressed or implied by forward-looking statements based on a number of factors, including, without limitation: (1) risks related to the consummation of the mergers, including the risks that (a) the mergers may not be consummated within the anticipated time period, or at all, (b) the parties may fail to obtain shareholder approval of the merger agreement, (c) other conditions to the consummation of the mergers under the merger agreement may not be satisfied, (d) all or part of TeraWulf's contemplated financing may not become available, and (e) the significant limitations on remedies contained in the merger agreement may limit or entirely prevent a party from specifically enforcing another party's obligations under the merger agreement or recovering damages for any breach; (2) approval of the combined company's application to list its shares on The Nasdaq Stock Market LLC, (3) the effects that any termination of the merger agreement may have on a party or its business, including the risks that (a) the price of IKONICS' common stock may decline significantly if the mergers are not completed, (b) the merger agreement may be terminated in circumstances requiring IKONICS to pay TeraWulf a termination fee of \$1.2 million, or (c) the circumstances of the termination, may have a chilling effect on alternatives to the mergers; (4) the effects that the announcement or pendency of the mergers may have on IKONICS and its business, including the risks that as a result (a) the business, operating results or stock price of IKONICS' common stock may suffer, (b) its current plans and operations may be disrupted, (c) the ability of IKONICS to retain or recruit key employees may be adversely affected, (d) its business relationships (including, customers, franchisees and suppliers) may be adversely affected, or (e) management and employee attention may be diverted from other important matters; (5) the effect of limitations that the merger agreement places on IKONICS' ability to operate its business, return capital to shareholders or engage in alternative transactions; (6) the nature, cost and outcome of pending and future litigation and other legal proceedings, including any such proceedings related to the transactions and instituted against IKONICS and others; (7) the risk that the transaction may involve unexpected costs, liabilities or delays; (8) other economic, business, competitive, legal, regulatory, and/or tax factors; (9) the possibility that less than all or none of IKONICS' historical business will be sold prior to the expiration of the CVRs; and (10) other factors described under the heading "Risk Factors" in the proxy statement/prospectus contained in the Registration Statement, as updated or supplemented by subsequent reports that IKONICS has filed or files with the SEC. Potential investors, shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. None of Holdco, IKONICS or TeraWulf assumes any obligation to publicly update any forward-looking statement after it is made, whether as a result of new information, future events or otherwise, except as required by law.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IKONICS CORPORATION

Date: December 3, 2021

/s/ Jon Gerlach

Jon Gerlach
Chief Financial Officer
and Vice President of Finance

AMENDMENT NO. 3 TO AGREEMENT AND PLAN OF MERGER

AMENDMENT No. 3, dated as of December 2, 2021 (this "Amendment"), to the Agreement and Plan of Merger, dated as of June 24, 2021 (as previously amended by Amendments thereto dated August 5, 2021 and September 17, 2021, the "Merger Agreement"), by and among IKONICS Corporation, a Minnesota corporation ("Parent"), Telluride Holdco, Inc., a Delaware corporation and direct wholly owned subsidiary of Parent ("HoldCo"), Telluride Merger Sub I, Inc., a Minnesota corporation and direct wholly owned subsidiary of HoldCo ("Merger Sub I"), Telluride Merger Sub II, Inc., a Delaware corporation and direct wholly owned subsidiary of HoldCo ("Merger Sub II"), and together with Parent, HoldCo and Merger Sub I, the "Parent Entities"), and TeraWulf Inc., a Delaware corporation ("Company") and together with the Parent Entities, the "Parties"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Merger Agreement.

WHEREAS, pursuant to, and subject to the limitations set forth in, Section 8.8 of the Merger Agreement, the Merger Agreement may be amended only by an instrument in writing signed by each of the parties thereto; and

WHEREAS, the Parties hereto wish to amend the Merger Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendment to Section 2.3(b). Section 2.3(b) of the Merger Agreement is hereby amended and restated in its entirety to read as follows:

(b) Parent RSU Awards. Immediately prior to the First Effective Time, each Parent RSU Award that is then outstanding and not subject to an agreement to cancel such Parent RSU in exchange for cash payment shall be fully vested and, prior to the First Effective Time, each such Parent RSU Award shall be settled for shares of Parent Common Stock. Following the First Effective Time, no Parent RSU Award that was outstanding immediately prior to the First Effective Time shall remain outstanding and each former holder of any such Parent RSU Award shall cease to have any rights with respect thereto, except the right to receive the Parent Merger Consideration pursuant to Section 2.1(a)(i) with respect to each share of Parent Common Stock received upon settlement of such Parent RSU Award. Notwithstanding any other provision of this Agreement, all Parent RSU Awards shall be treated in a manner so as not to result in the incurrence of a penalty tax under Section 409A of the Code. To the extent applicable, transactions with respect to Parent RSU Awards shall be subject to the withholding requirements as provided in Section 2.3(f).

2. Amendment to Section 5.12. Section 5.12 of the Merger Agreement is hereby amended by replacing the last clause with the following language:

...the Company will reimburse Parent for (i) all payments made or then agreed to be made by the Company in exchange for the cancellation of Parent RSUs, and (ii) all actual Expenses incurred by Parent in connection with the negotiation, approval and consummation of the transactions contemplated by this Agreement, including the fees and disbursements of legal counsel filing fees and mailing costs for the Parent Registration Statement and proxy materials, up to a maximum of \$640,000.

3. Amendment to Section 5.15(c). The first sentence of Section 5.15(c) of the Merger Agreement is hereby amended to read as follows:

As of the First Effective Time, Parent shall take all action necessary to (i) cause (A) the number of members of the HoldCo board of directors to be fixed at ten (10) and (B) cause to be appointed to the HoldCo board of directors, as directors, effective as of the Second Effective Time, up to ten persons chosen by the Company in its sole discretion.

4. Miscellaneous. The terms, conditions and provisions of the Merger Agreement, as amended by this Amendment, remain in full force and effect. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Party under the Merger Agreement, nor constitute a waiver or amendment of any provision of the Merger Agreement. This Amendment shall be governed by, and otherwise construed in accordance with, the terms of the Merger Agreement, as though the other provisions of this Amendment were set forth in the Merger Agreement. This Amendment may be executed in counterparts (including by means of facsimile or scanned and emailed signature pages), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

PARENT
IKONICS Corporation

By: _____ /s/ Glenn Sandgren
Name: Glenn Sandgren
Title: Chief Executive Officer

COMPANY
TeraWulf Inc.

By: _____ /s/ Paul Prager
Name: Paul Prager
Title: President and CEO

HOLDCO
Telluride Holdco Inc.

By: _____ /s/ Glenn Sandgren
Name: Glenn Sandgren
Title: Chief Executive Officer

MERGER SUB I
Telluride Merger Sub I, Inc.

By: _____ /s/ Glenn Sandgren
Name: Glenn Sandgren
Title: Chief Executive Officer

MERGER SUB II
Telluride Merger Sub II, Inc.

By: _____ /s/ Glenn Sandgren
Name: Glenn Sandgren
Title: Chief Executive Officer

[Signature Page to Amendment No. 3 to Agreement and Plan of Merger]



4832 Grand Avenue
Duluth, Minnesota 55807 USA
Phone: (218) 628-2217
Fax: (218) 628-3245
Email: info@ikonics.com
Website: www.ikonics.com

December 1, 2021

TO: Restricted Stock Unit Holder

RE: Restricted Stock Unit Cancellation and Release Agreement

This is an agreement and release (this "*Agreement*") that provides for cancellation of your outstanding restricted stock unit award(s) ("*RSU Awards*"), pursuant to which you could be issued shares of common stock of IKONICS Corporation (the "*Company*"), in exchange for cash payment equal to \$33.82 for each share underlying the unvested portion of your RSU Awards, net of any applicable withholding taxes.

As previously communicated to you, the Company is party to an Agreement and Plan of Merger, dated as of June 24, 2021 by and among the Company, Telluride Holdco, Inc. ("*Holdco*"), Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc., and TeraWulf Inc., as amended (the "*Merger Agreement*"). As a result of the transactions contemplated by the Merger Agreement, each share of the Company's common stock will be converted into and exchanged for the right to receive (collectively, the "*Merger Consideration*"): (i) one share of Holdco common stock, (ii) one Contingent Value Right (as more fully described in the Merger Agreement), and (iii) \$5.00 in cash. Additionally, the legacy stockholders of TeraWulf Inc. will own approximately 98% of the outstanding common stock of Holdco immediately after closing.

Pursuant to the terms of the Merger Agreement, your RSU Awards are eligible to vest and settle into shares of Company common stock in advance of the closing, which shares would be eligible to convert into the right to receive the Merger Consideration. Vesting of your RSU Awards is a taxable event subject to immediate tax withholding and, pursuant to the Company's 2019 Equity Incentive Plan (the "*Plan*") and the award agreement(s) issued thereunder governing your RSU Awards, persons receiving shares must pay a cash amount sufficient to cover any required withholding taxes before actual receipt of those Shares.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by signing below you agree as follows:

1. **RSU Awards Held.** You acknowledge and agree that (i) Schedule A attached to this Agreement ("*Schedule A*") reflects all outstanding RSU Awards held by you and the number of shares subject to such RSU Awards.
 2. **RSU Award Consideration and Cancellation.** You will be entitled to receive in settlement and full satisfaction of your rights under the RSU Awards that are outstanding immediately prior to the effective time of the First Merger (as defined in the Merger Agreement) (the "*Effective Time*") a cash payment equal to \$33.82 for each share underlying the unvested portion of your RSU Awards, net of any applicable withholding taxes (the "*Payment*"). In exchange for the Payment, you agree that all of your rights under the RSU Awards will terminate and be cancelled as of immediately prior to the Effective Time and become solely the right to receive the Payment, subject to any applicable withholding tax obligations.
 3. **Payment.** The Payment will be paid by the Company to you as soon as practicable following the Effective Time (but in any event not later than ten business days thereafter), net of any applicable withholding taxes.
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4. **Tax Withholding.** Any amount paid pursuant to this Agreement will be net of all applicable federal, state and local withholding taxes, including the withholding taxes described above. All such withholding taxes shall be withheld and remitted to the appropriate taxing authority and such remittance shall be deemed a payment to you of amounts owed under this Agreement. You acknowledge that the Company is not making any representations or warranties with respect to the tax treatment of any of the amounts paid hereunder and, by entering into this agreement, you agree to accept any and all such tax consequences.

5. **Release.** In consideration of the Payment, you hereby release and discharge the Company and Holdco, and their affiliates, directors, officers, employees, and agents, and the respective administrators, legal representatives, heirs, successors and assigns of each (collectively, the “*Releasees*”), of and from any and all actions or causes of actions, suits or claims whatsoever in law and equity against any of the Releasees that you may now have or that may hereafter arise out of or in connection with the RSU Awards, the Plan, and any award agreement under the Plan, including but not limited to the treatment of the RSU Awards as set forth in this Agreement.

6. **Condition Precedent.** The payment of the consideration described in Section 2 of this Agreement and the release described in Section 5 herein are conditioned upon the occurrence of the Effective Time. If the Merger Agreement is terminated in accordance with its terms, this Agreement, without further action, will be null and void and the RSU Awards held by you shall remain in existence in accordance with their provisions in existence prior to the date hereof.

7. **Further Assurances.** You agree to execute and/or cause to be delivered to the Company such instruments and other documents, and shall take such other actions, as the Company may reasonably request for the purpose of carrying out or evidencing the provisions of this Agreement.

8. **Successors and Heirs.** This Agreement shall run to the benefit of the Releasees and shall be binding on the successors and heirs of the parties hereto.

9. **RSU Award Holder Acknowledgement.** You acknowledge that you have had a reasonable opportunity to review this Agreement and have had a reasonable opportunity to consult with your counsel and accountants with respect to the terms and legal, financial, and tax implications of this Agreement. Without limiting the generality or effect of the foregoing, you understand that the terms of this Agreement and the obligations of the Company included in this Agreement are contingent upon consummation of the First Merger. You acknowledge that you have reviewed the Company’s definitive proxy statement/prospectus contain in the registration statement on Form S-4 originally filed with the U.S. Securities and Exchange Commission on July 30, 2021, as amended (file no. 333-258335), further describing the First Merger and the Merger Agreement. You hereby acknowledge and agree that you shall have no “look back,” appraisal or similar rights and, except as provided herein, will in no event be entitled to additional consideration with respect to the cancellation of the RSU Awards pursuant to this Agreement.

10. **RSU Award Holder Representations.** You hereby represent that, except for the RSU Awards listed in Schedule A, you do not hold or beneficially own any other rights to acquire, without the payment of additional consideration, shares of Company common stock or cash equal to or based on the value of such shares, whether issued under the 2019 Plan or otherwise, and that the RSU Award grant dates and numbers of shares subject to each RSU Award set forth in Schedule A are correct. You have, and immediately prior to the time the RSU Awards will be cancelled pursuant hereto will have, good title to the RSU Awards, free and clear of any liens, encumbrances, security agreements, equities, options, claims or charges of any kind, and you shall not transfer or attempt to transfer such RSU Award. There is no agreement or understanding between any person and you that would entitle you, after consummation of the First Merger, to acquire any securities of the Company or Holdco. You have full legal right, power and capacity to execute and deliver this Agreement and to perform your obligations hereunder.

11. **Amendments.** No amendment or modification of this Agreement will be deemed effective unless made in writing and signed by the parties hereto.

12. **Counterparts.** This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original. This Agreement may be delivered by facsimile or as an e-mail attachment and copies of an original executed signature page will be deemed original signatures for purposes of enforcement and construction of this Agreement.

13. **Governing Law.** This Agreement will be governed by, and interpreted in accordance with, the laws of the State of Minnesota applicable to contracts made and to be performed entirely within such state.

14. **Submission to Jurisdiction.** You (a) irrevocably and unconditionally submits to the personal jurisdiction of state courts of State of Minnesota located in Hennepin County, (b) agree that you will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agree that any actions or proceedings arising in connection with this Agreement or the transactions contemplated by this Agreement shall be brought, tried and determined only in the state courts of the State of Minnesota located in Hennepin County, (d) waive any claim of improper venue or any claim that such courts are an inconvenient forum and (e) agree that you will not bring any action relating to this Agreement or the transactions contemplated hereunder in any court other than the aforesaid courts. You agree that mailing of process or other papers in connection with any such action or proceeding to you at the address set forth as your home address in the Company's employment or in such other manner as may be permitted by applicable Law, shall be valid and sufficient service thereof.

15. **WAIVER OF JURY TRIAL.** YOU HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[Signature Page Follows]

If you agree to the terms and conditions above, please sign both copies of this Agreement in the space provided below for your signature. Keep a copy for your records and return the other signed copy to me at the address reflected in the heading.

Sincerely,
IKONICS CORPORATION

By: _____
Name: Jon Gerlach
Title: Chief Financial Officer

Accepted and Agreed to as of this ____ day of December 2021:

Signature of RSU Award Holder

Print Name

[Signature Page to Restricted Stock Unit Cancellation and Release Agreement]

Restricted Stock Unit Award
Grant Date

Number of Unvested Shares
Subject to Restricted Stock Unit
Award

[Signature Page to Restricted Stock Unit Cancellation and Release Agreement]