

28 October, 2016

ASX Compliance Pty. Limited
20 Bridge Street,
SYDNEY NSW 2000

By Email

MaxSec Group Limited (the "Company"): ASX Price Query

I refer to your letter dated 28 October, 2016 regarding the change in price of the Company's securities from a low of 1.5 cents on 18 October, 2016 to an intra-day high of 2.9 cents at the time of writing your letter. You have also noted an increase in trading volume of the Company's securities in the past few days.

We comment as follows:

1. Maxsec Group Limited (the "Company") is not aware of any information that has not been announced that would explain the price movement or the volume increase in trading of the Company's securities.
2. Not Applicable.
3. No.
4. The Company confirms that in its opinion it is, and has been at all times, in compliance with listing rule 3.1.
5. Confirmed.

Yours faithfully,

Geoffrey Cleaves
Company Secretary



28 October 2016

Mr Geoffrey Cleaves
Chief Executive Officer & Company Secretary
Maxsec Group Limited
Unit 29
1 Talavera Road
North Ryde NSW 2113

By email

Dear Mr Cleaves

Maxsec Group Limited ("Company"): Price Query

We note the change in the price of Company's securities from a low of 1.5 cents on 18 October 2016 to an intra-day high of 2.9 cents at the time of writing today 28 October 2016.

We also note the significant increase in the volume of Company's securities traded in the past few days.

In light of this, ASX asks Company to respond separately to each of the following questions and requests for information:

1. Is Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in Company's securities would suggest to ASX that such information may have ceased to be confidential and therefore Company may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that Company may have for the recent trading in its securities?
4. Please confirm that Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 1:30 pm AEDT, today 28 October 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elvis Onyura

Senior Adviser, Listings Compliance (Sydney)