

PROSPECTUS SUPPLEMENT NO. 2
To Prospectus dated August 3, 2016

DRAGONWAVE INC.

\$6.0 million in any combination of:

**Up to 1,791,044 Class A Units
Consisting of One Common Share,
One Warrant to Purchase One Common Share
and Two Short-Term Warrants Each to Purchase One Common Share**

and

**Up to 1,791,044 Class B Units
Consisting of One Pre-Funded Warrant to Purchase One Common Share,
One Warrant to Purchase One Common Share
and Two Short-Term Warrants Each to Purchase One Common Share**

This Prospectus Supplement No. 2 (this “Supplement”) amends and supplements the prospectus dated August 3, 2016 (as supplemented by Prospectus No. 1, the “Original Prospectus”), which forms a part of our Registration Statement on Form F-1 (File No. 333-212428). We refer to the Original Prospectus as amended and supplemented to date as the “Prospectus.”

This Supplement is being filed to amend and supplement the information included in the Original Prospectus relating to the Short-Term Warrants (as defined in the Original Prospectus). We have determined to reduce the exercise price of the Short-Term Warrants to \$1.50 per share until the Short-Term Warrants expire pursuant to their terms on February 8, 2017. All other terms of the Short-Term Warrants remain the same.

The foregoing summary of the Short-Term Warrants does not purport to be complete and is subject in its entirety to the detailed provisions of the form of Short-Term Warrant, which is incorporated by reference in its entirety into the Prospectus.

The Prospectus relates to our offering of up to \$6.0 million in the aggregate of Class A Units and Class B Units. Each Class A Unit consisted of one of our common shares, one Long-Term Warrant, and two Short-Term Warrants and were sold to investors in the offering at a price of \$3.35 per unit. Each Class B Unit, which were sold to investors whose purchase of Class A Units would have resulted in their exceeding the 9.99% beneficial ownership limitation described in the Prospectus, consisted of one Pre-Funded Warrant, one Long-Term Warrant and two Short-Term Warrants and were sold to investors in the offering at a price of \$3.34 per unit. The units were not issued or certificated. The common shares or the Pre-Funded Warrants and the Short-Term Warrants and the Long-Term Warrants were immediately separable and issued separately, but were purchased together in this offering. The Prospectus also relates to the common shares issuable on exercise of the warrants.

Rodman & Renshaw, a unit of H.C. Wainwright & Co., acted as sole book running manager in the offering.

Investing in our securities involves a high degree of risk. We refer you to the section entitled “Risk Factors” on page 9 of the Original Prospectus and under similar sections in the documents we incorporate by reference into the Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Supplement or the Prospectus. Any representation to the contrary is a criminal offense.

Prospectus Supplement No. 2 dated January 25, 2017

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 6-K

**Report Of Foreign Private Issuer
Pursuant To Rule 13a-16 Or 15d-16 Of
The Securities Exchange Act Of 1934**

FOR THE MONTH OF JANUARY 2017

COMMISSION FILE NUMBER: 001-34491

DRAGONWAVE INC.
(Translation of registrant’s name into English)

**411 Legget Drive, Suite 600
Ottawa, Ontario, K2K 3C9
Canada**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
☒Form 20-F ☐Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: ☐ Yes ☒ No

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

The following exhibits are issued by DragonWave Inc.:

Exhibit Number	Description
99.1	Press Release dated January 25, 2017 — DragonWave Reduces Exercise Price of Outstanding Short-Term Warrants
99.2	Supplement to Short-Term Common Share Purchase Warrants

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.

DRAGONWAVE INC.
(Registrant)

By: /s/ Patrick Houston
Name: Patrick Houston
Title: Chief Financial Officer

Date: January 25, 2017



FOR IMMEDIATE RELEASE

DragonWave Reduces Exercise Price of Outstanding Short-Term Warrants

Ottawa, Canada, January 25, 2017 - DragonWave Inc. (TSX: DWI; NASDAQ: DRWI), a leading global supplier of packet microwave radio systems for mobile and access networks, announced today that it has reduced the exercise price of its outstanding six-month warrants (the "Short-Term Warrants") issued in its public offering completed in August 2016. Pursuant to the terms of the Short-Term Warrants, DragonWave has elected to reduce the exercise price of the Short-Term Warrants to US \$1.50 per share, commencing on January 25, 2017 and continuing until the expiration of the warrants on February 8, 2017.

In connection with its US\$6.0 million public offering in August 2016, DragonWave issued the Short-Term Warrants, each to purchase one common share. At issuance, the Short-Term Warrants had an exercise price of US\$4.00 per share. The aggregate number of common shares currently issuable under the Short-Term Warrants is 3,151,180.

DragonWave currently intends to use the net proceeds from the exercise of warrants for general corporate purposes, which may include working capital, general and administrative expenses, capital expenditures and implementation of our strategic priorities.

The original issuance of the Short-Term Warrants and the reduction of the exercise price has been effected pursuant to the exemption available to certain eligible inter-listed issuers in section 602.1 of the TSX Company Manual.

The Short-Term Warrants were issued pursuant to an effective registration statement on Form F-1 filed with the Securities and Exchange Commission (SEC) and declared effective on August 2, 2016. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, these securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted.

About DragonWave

DragonWave® is a leading provider of high-capacity packet microwave solutions that drive next-generation IP networks. DragonWave's carrier-grade point-to-point packet microwave systems transmit broadband voice, video and data, enabling service providers, government agencies, enterprises and other organizations to meet their increasing bandwidth requirements rapidly and affordably. The principal application of DragonWave's products is wireless network backhaul. Additional solutions include leased line replacement, last mile fiber extension and enterprise networks. DragonWave's corporate headquarters is located in Ottawa, Ontario, with sales locations in Europe, Asia, the Middle East and North America. For more information, visit <http://www.dragonwaveinc.com>.

DragonWave®, Horizon® and Avenue® are registered trademarks of DragonWave Inc.

Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. These forward-looking statements relate to a variety of matters, including, without limitation, statements regarding DragonWave's anticipated proceeds from the exercise of warrants and its use of those proceeds and other statements that are not purely statements of historical fact. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the

management of DragonWave and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and DragonWave undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although DragonWave believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of DragonWave in general, see the risk disclosures in the Form 20-F and Annual Information Form of DragonWave for the year ended February 29, 2016 and in subsequent filings, including of DragonWave’s MD&A, made with the SEC and on www.sedar.com by DragonWave.

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DRAGONWAVE INC.

SUPPLEMENT TO

SHORT-TERM COMMON SHARE PURCHASE WARRANTS

This Supplement (the “**Supplement**”) to Short-Term Common Share Purchase Warrants issued August 8, 2016 (the “**Warrants**”), is made effective as of January 25, 2017 (the “**Effective Date**”), by DragonWave Inc. (the “**Company**”). All capitalized terms used in this Supplement without definition are defined as set forth in the Warrants.

WHEREAS, Section 2(b) of the Warrant provides that the Company may, at any time during the term of the Warrants, with respect to all of the then outstanding Warrants, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company, in its sole discretion.

WHEREAS, the Board has deemed it appropriate to reduce the Exercise Price from US\$4.00 to US\$1.50 for the remainder of the term of the Warrants.

NOW, THEREFORE:

Section 1. Supplement of Warrant. The Warrant is hereby supplemented as follows:

“Pursuant to Section 2(b), the Exercise Price is hereby reduced to \$1.50 for the remainder of the term of the Warrants.”

Section 2. Supplement Applicable to Subsequent Holders. The modification of the Warrant pursuant to this Supplement shall apply to the current and any and all subsequent holders of the Warrant.

Section 3. Continuing Validity. Except as otherwise expressly provided herein, the Warrant shall remain in full force and effect..

DragonWave Inc.

By: /s/ Patrick Houston
Name: Patrick Houston
Title: Chief Financial Officer