



October 21, 2016

DragonWave Shareholders' Equity Letter-NASDAQ

OTTAWA, CANADA--(Marketwired - Oct. 21, 2016) - DragonWave Inc. (TSX:DWI)(NASDAQ:DRWI) a leading global supplier of packet microwave radio systems for mobile and access networks, announced that on October 17, 2016, it received a written notice from the Listing Qualifications Staff of The Nasdaq Stock Market ("Nasdaq") notifying the Company that it no longer complies with Nasdaq Listing Rule 5550(b)(1) due to the Company's failure to maintain a minimum of \$2,500,000 in shareholders' equity (the "Minimum Shareholders' Equity Requirement") or any alternatives to such requirement. The Company reported shareholders' equity of \$1,662,000 for the period ended August 31, 2016.

Nasdaq's notice has no immediate effect on the listing of the Company's common shares on The Nasdaq Capital Market. Under Nasdaq Listing Rule 5810(c) (2), the Company has 45 days, or until December 1, 2016, to provide Nasdaq with a plan to regain compliance with the Minimum Shareholders' Equity Requirement. If Nasdaq accepts the Company's plan, Nasdaq may grant an extension of up to 180 calendar days from the date of the notice, or until April 15, 2017, to evidence compliance with the Minimum Shareholders' Equity Requirement.

The Company plans to regain compliance with the Minimum Shareholders' Equity Requirement and intends provide Nasdaq with a plan on or before December 1, 2016.

Trading of DragonWave common shares on the Toronto Stock Exchange under the symbol "DWI" is not affected by the notice from Nasdaq.

About DragonWave

DragonWave(R) 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 portfolio is wireless network backhaul, including a range of products ideally suited to support the emergence of underlying small cell networks. 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 www.dragonwaveinc.com.

DragonWave(R), Horizon(R) and Avenue(R) are registered trademarks of DragonWave Inc.

Forward-Looking Statements

Certain statements in this release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements as to DragonWave's growth opportunities and the potential benefits of, and demand for, DragonWave's products. These statements are subject to certain assumptions, risks and uncertainties, including our view of the relative position of DragonWave's products compared to competitive offerings in the industry. Readers are cautioned not to place undue reliance on such statements. DragonWave's actual results, performance, achievements and developments may differ materially from the results, performance, achievements or developments expressed or implied by such statements. Risk factors that may cause the actual results, performance, achievements or developments of DragonWave to differ materially from the results, performance, achievements or developments expressed or implied by such statements can be found in the public documents filed by DragonWave with U.S. and Canadian securities regulatory authorities. DragonWave assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

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Source: DragonWave Inc.

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