WAVE WIRELESS CORP
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February 16, 2006

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255 Consumers Road, Suite 500
Toronto, Ontario
Canada A6 M2J 1R4

MERGER PROPOSAL - YOUR VOTE IS VERY IMPORTANT

To the Stockholders of WaveRider Communications Inc.:

WaveRider Communications Inc., Wave Wireless Corporation and Wave Acquisition Corporation, a wholly owned subsidiary of Wave Wireless, have entered into an Agreement and Plan of Merger, dated as of January 3, 2006, as amended. The merger contemplated by the merger agreement will result in the combination of the businesses of Wave Wireless and WaveRider.

The board of directors of WaveRider believes that the proposed merger is a strategic fit that brings together complementary business lines, engineering skills, sales and marketing capabilities and innovative technology. The combination of Wave Wireless' SPEEDLAN family of mesh networking products and WaveRider's Last Mile Solution® non-line-of-sight, fixed and mobile wireless 900 MHz products will provide customers with a wide range of line-of-sight and non-line-of-sight products and services, and position the combined company as a worldwide provider of robust, wireless broadband applications and solutions. The combined company will offer wireless broadband solutions capable of delivering high-speed connectivity to a variety of large and rapidly growing market segments, including public safety, and security and surveillance for a broad range of public and private sector customers.

Upon completion of the merger, WaveRider anticipates that its stockholders will be entitled to receive approximately 1.3 shares of Wave Wireless common stock for each share of WaveRider common stock then held by them, together with cash in lieu of fractional shares. The precise number of shares of Wave Wireless common stock to be issued for each share of WaveRider common stock in the merger is subject to adjustment and will not be determined until immediately prior to the completion of the merger. Wave Wireless common stock is traded over the counter on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. under the trading symbol "WVWC." On February 8, 2006, the closing sale price of Wave Wireless common stock on the OTC Bulletin Board was $0.16. WaveRider common stock is traded on the OTC Bulletin Board under the trading symbol "WAVR." On February 8, 2006, the closing sale price of WaveRider common stock on the OTC Bulletin Board was $0.12.

The merger cannot be completed unless and until WaveRider stockholders approve and adopt the merger agreement and approve the merger. The WaveRider board of directors unanimously recommends that WaveRider stockholders vote "**FOR**" the proposal to approve and adopt the merger agreement and approve the merger.

We encourage you to read this proxy statement/prospectus for important information about the merger and the WaveRider special meeting. In particular, you should carefully consider the discussion in the section of the accompanying proxy statement/prospectus entitled "Risk Factors" beginning on page 17.

Sincerely,

/s/ Charles W. Brown
Charles W. Brown
Chief Executive Officer

Toronto, Ontario
February 9, 2006

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if the accompanying proxy statement/ prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated February 9, 2006, and is first being mailed to WaveRider stockholders on or about February 14, 2006.

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255 Consumers Road, Suite 500
Toronto, Ontario
Canada A6 M2J 1R4
(416) 502-3200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of WaveRider Communications Inc.:

You are cordially invited to attend a special meeting of the stockholders of WaveRider Communications Inc. to be held at 255 Consumers Road, Suite 500, Toronto, Ontario Canada M2J 1R4, on March 20, 2006, at 2:00 p.m. At the special meeting, you will be asked to vote on and approve the following proposals:

1. To approve and adopt the Agreement and Plan of Merger, dated as of January 3, 2006, as amended, among Wave Wireless Corporation, WaveRider Communications Inc. and Wave Acquisition Corporation, and to approve the merger contemplated by the Agreement and Plan of Merger, as amended.

2. To approve any motion for adjournment or postponement of the special meeting to another time or place to permit, among other things, further solicitation of proxies if necessary to establish a quorum or to obtain additional votes in favor of Proposal 1.

Upon completion of the merger, WaveRider anticipates that its stockholders will be entitled to receive approximately 1.3 shares (subject to adjustment) of Wave Wireless common stock for each share of WaveRider common stock held by them, together with cash in lieu of fractional shares (see page 45).

No other business will be conducted at the special meeting. These proposals are described more fully in this proxy statement/prospectus. Please give your careful attention to all of the information in this proxy statement/prospectus.

Only stockholders of record of WaveRider common stock at the close of business on February 8, 2006, the record date for the special meeting, are entitled to notice of and to vote at this special meeting or any adjournment(s) or postponement(s) that may take place.

Your vote is important. Whether or not you expect to attend the special meeting in person, you are urged to complete, sign, date and return the enclosed proxy card or voting instruction card as soon as possible or to vote by telephone or on the Internet using the instructions on the enclosed proxy card or voting instruction card.

YOU MAY BE ENTITLED TO ASSERT DISSENTERS' RIGHTS UNDER NEVADA REVISED STATUTES 92A.300 TO 92A.500, INCLUSIVE, WITH RESPECT TO THE MERGER AND OBTAIN CASH PAYMENT FOR THE FAIR VALUE OF YOUR SHARES INSTEAD OF THE CONSIDERATION PROVIDED FOR IN THE MERGER AGREEMENT. FOR SPECIFIC INSTRUCTIONS ON HOW TO ASSERT YOUR DISSENTERS' RIGHTS, PLEASE REFER TO THE SECTION OF THIS PROXY/STATEMENT PROSPECTUS ENTITLED "DISSENTERS' RIGHTS OF APPRAISAL" BEGINNING ON PAGE 43.

For specific instructions on how to vote your shares, please refer to the section of this proxy statement/prospectus entitled "The Special Meeting of WaveRider Stockholders" beginning on page 30. Returning the proxy card or voting instruction card or voting by telephone or on the Internet does not deprive you of your right to attend the meeting and to vote your shares in person. If you need any assistance in the voting of your proxy card, please contact Investor Relations, WaveRider Communications Inc., 255 Consumers Road, Suite 500, Toronto, Ontario, Canada, M2J 1R4, (416) 502-3200.

By Order of the Board of Directors

/s/ Charles W. Brown
Charles W. Brown
Chief Executive Officer

Toronto, Ontario
February 9, 2006

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about WaveRider and Wave Wireless from documents that each company has filed with the Securities and Exchange Commission but that have not been included in or delivered with this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" on page 123 of this proxy statement/prospectus.

WaveRider will provide you with copies of this information relating to WaveRider (excluding all exhibits unless WaveRider has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

WaveRider Communications Inc.
255 Consumers Road, Suite 500
Toronto, Ontario
Canada, M2J 1R4
Attention: Investor Relations
(416) 502-3200.

Wave Wireless will provide you with copies of this information relating to Wave Wireless (excluding all exhibits unless Wave Wireless has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Wave Wireless Corporation
1996 Lundy Avenue
San Jose, CA 95131
Attention: Corporate Secretary
(408) 943-4200

In order to receive timely delivery of the documents, you must make your requests no later than March 10, 2006.

QUESTIONS AND ANSWERS REGARDING THE PROPOSED MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the proposed merger and the WaveRider special meeting.

General Questions and Answers

Q: Why am I receiving this proxy statement/prospectus?

A: Wave Wireless and WaveRider have agreed to combine their businesses under the terms of a merger agreement that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. For specific information regarding the merger agreement, please refer to the section entitled "The Merger Agreement" beginning on page 45 of this proxy statement/prospectus.

In order to complete the merger, WaveRider stockholders must approve and adopt the merger agreement and approve the merger. WaveRider will hold a special meeting of its stockholders to obtain this approval. This proxy statement/prospectus contains important information about the merger and the WaveRider special meeting, and you should read it carefully. The enclosed voting materials allow you to vote your shares of WaveRider common stock without attending the WaveRider special meeting.

Your vote is important. We encourage you to vote as soon as possible. For more specific information on how to vote, please see the questions and answers about the WaveRider special meeting below.

Q: What is the merger?

A: The merger is a proposed business combination between Wave Wireless and WaveRider where Wave Acquisition Corporation, a wholly owned subsidiary of Wave Wireless, will merge with and into WaveRider, with WaveRider surviving the merger and becoming a wholly owned subsidiary of Wave Wireless immediately following the merger.

Q: Why are Wave Wireless and WaveRider proposing to merge? (see page 36)

A: The boards of directors of Wave Wireless and WaveRider believe that the proposed merger will create a combined company that will establish a position as a worldwide provider of robust, wireless broadband applications and solutions. The merger will bring together Wave Wireless' SPEEDLAN family of 2.4GHz, 4.9GHz and 5.8GHz mesh networking products and WaveRider's Last Mile Solution® non-line-of-sight, fixed and mobile wireless 900MHz products to provide customers with a range of line-of-sight and non-line-of-sight products and services, and position the combined company as a leading worldwide provider of wireless broadband applications and solutions. For a detailed description of WaveRider's reasons for the merger, please refer to the section entitled "The Merger—WaveRider's Reasons for the Merger" beginning on page 36 of this proxy statement/prospectus.

Q: How does WaveRider's board of directors recommend that I vote? (see page 38)

A: After careful consideration, WaveRider's board of directors has determined that the merger with Wave Wireless is advisable, fair to and in the best interests of WaveRider and its stockholders and unanimously approved the merger agreement and the merger. Accordingly, WaveRider's board of directors unanimously recommends that WaveRider stockholders vote "**FOR**" the proposal to approve and adopt the merger agreement and approve the merger. For a description of the reasons underlying the recommendation of WaveRider's board of directors with respect to the merger, please refer to the section of this proxy statement/prospectus entitled "The Merger—WaveRider's Reasons for the Merger" beginning on page 36 of this proxy/statement/prospectus. WaveRider's board of directors also unanimously recommends the WaveRider stockholders vote "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

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Q: What will I receive in the merger? (see page 45)

A: If the merger is completed, it is expected that you will be entitled to receive approximately 1.3 shares of Wave Wireless common stock (subject to adjustment as described in the section entitled “The Merger Agreement—Conversion of WaveRider Common Stock in the Merger” on page 45 of this proxy statement/prospectus) for each share of WaveRider common stock that you own at the effective time of the merger. No fractional shares of Wave Wireless common stock will be issued in the merger. If you would otherwise be entitled to receive a fraction of a share of Wave Wireless common stock, you will receive an amount of cash equal to the value of the fractional share.

Q: What should I do now?

A: Please review this proxy statement/prospectus carefully and sign, date and return each proxy card and voting instruction card you receive as soon as possible.

Q: Do I need to send in my WaveRider stock certificate now?

A: No. You should not send in your WaveRider stock certificates now. Following the merger, a letter of transmittal will be sent to WaveRider stockholders informing them where to deliver their WaveRider stock certificates in order to receive shares of Wave Wireless common stock and any cash in lieu of a fractional share of Wave Wireless common stock. You should not send in your WaveRider common stock certificates prior to receiving this letter of transmittal.

Q: What percentage of Wave Wireless capital stock will former WaveRider stockholders own after the merger? (see page 45)

A: Following the merger, the former securityholders of WaveRider will own approximately 50% of the outstanding shares of Wave Wireless common stock on a fully-diluted basis, which assumes that all outstanding options and warrants to acquire shares of Wave Wireless common stock are exercised and that all outstanding shares of Wave Wireless’ convertible preferred stock are converted into shares of Wave Wireless common stock.

Q: What vote is required to approve and adopt the merger agreement and approve the merger? (see page 31)

A: Approval and adoption of the merger agreement and approval of the merger requires the affirmative vote of the holders of a majority of the shares of WaveRider’s voting stock outstanding on February 8, 2006, the record date for the WaveRider special meeting.

Q: What vote is required to approve the proposal to permit adjournment or postponement of the WaveRider special meeting? (see page 31)

A: The affirmative vote of the holders of a majority of the shares of WaveRider voting stock present in person or represented by proxy and entitled to vote thereon is necessary for this proposal to pass.

Q: When do Wave Wireless and WaveRider expect to complete the merger?

A: Wave Wireless and WaveRider are working toward completing the merger as quickly as possible and currently plan to complete the merger in Wave Wireless’ first fiscal quarter of 2006. However, the exact timing of the completion of the merger cannot be predicted because the merger is subject to approval of the stockholders of WaveRider, governmental and regulatory review processes and other conditions set forth in the merger agreement.

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Q: As a WaveRider stockholder, will I be able to trade the Wave Wireless common stock that I receive in connection with the merger? (see page 42)

A: The shares of Wave Wireless common stock issued to you in connection with the merger will be freely tradable, unless you are an affiliate of WaveRider, and will be listed on the OTC Bulletin Board under the symbol "WVWC." Persons who are deemed to be affiliates of WaveRider must comply with Rule 145 under the Securities Act of 1933, as amended, if they wish to sell or otherwise transfer any of the shares of Wave Wireless common stock that they receive in connection with the merger.

Q: Am I entitled to appraisal rights? (see page 43)

A: Yes. Under Nevada law, appraisal rights are available to WaveRider stockholders in connection with the merger.

Q: What will happen to WaveRider's outstanding options and warrants in the merger? (see page 53)

A: All options and warrants to purchase shares of WaveRider common stock outstanding at the effective time of the merger will be assumed by Wave Wireless and will become exercisable for shares of Wave Wireless common stock. The number of shares of Wave Wireless common stock issuable upon the exercise of these options and warrants will be the number of shares of WaveRider common stock subject to the assumed option or warrant multiplied by the exchange ratio (subject to adjustment as described in the section entitled "The Merger Agreement—Conversion of WaveRider Common Stock in the Merger" on page 45 of this proxy statement/prospectus), rounded down to the nearest whole number of shares. The exercise price per share of each assumed WaveRider option and warrant will be equal to the exercise price of the assumed WaveRider option or warrant divided by the exchange ratio (subject to adjustment as described in the section entitled "The Merger Agreement—Conversion of WaveRider Common Stock in the Merger" on page 45 of this proxy statement/prospectus), rounded up to the nearest whole cent. Other than with respect to the number of shares subject to WaveRider's outstanding options and warrants and the exercise price, both of which will be adjusted as described above, the assumed WaveRider options and warrants will continue to have the same terms and conditions as they had prior to the merger.

Q: What will happen to WaveRider's convertible debentures? (see page 46)

A: As of December 31, 2005, Crescent International Ltd. ("Crescent"), held convertible debentures issued by WaveRider with a total outstanding principal amount of approximately $1.5 million. Prior to the completion of the merger, WaveRider will issue to Crescent a number of shares of WaveRider's Series D Convertible Preferred Stock with an aggregate face value of $350,000 as consideration for Crescent's agreement to: (i) not convert most of its convertible debentures into shares of WaveRider common stock prior to the merger, (ii) vote in favor of the merger, and (iii) exchange the convertible debentures and preferred shares for Wave Wireless' equity securities in the merger. In the merger, all outstanding shares of WaveRider's convertible preferred stock issued to Crescent and all of WaveRider's outstanding convertible debentures will be converted, in the aggregate, into equity securities of Wave Wireless, as more fully described in the section entitled "The Merger Agreement—Conversion of WaveRider Convertible Debentures and Convertible Preferred Stock" on page 46 of this proxy statement/prospectus.

Q: What are the tax consequences of the merger to me? (see page 41)

A: Wave Wireless and WaveRider expect, but cannot assure you, that for United States federal income tax purposes you will not recognize gain or loss on your exchange of WaveRider common shares in the merger for shares of Wave Wireless common stock, except to the extent of the cash, if any, received in lieu of a fractional share of common stock of the combined company. It is possible, however, that you may recognize gain or loss in the exchange, to the extent of the difference between the fair market value of the Wave Wireless common stock and cash you receive in the merger and your adjusted tax basis in your shares of WaveRider common stock that you exchange therefor. See the section entitled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 41.

Q: What risks should I consider in deciding whether to vote in favor of approving and adopting the merger agreement and approving the merger? (see page 17)

A: You should carefully review the section of this proxy statement/prospectus entitled "Risk Factors" beginning on page 17 which sets forth certain risks and uncertainties related to the merger, as well as risks and uncertainties to which the combined company's business will be subject. Additionally, each of Wave Wireless and WaveRider are, as independent companies, subject to certain risks and uncertainties as more fully described in Wave Wireless' Annual Report on Form 10-K/A and WaveRider's Annual Report on Form 10-KSB/A for the fiscal year ended December 31, 2004, each of which is available on the SEC website. The address of the SEC website is http://www.sec.gov.

Q: How can I find out whether the stockholders of WaveRider approved the merger proposal?

A: Wave Wireless and WaveRider intend to issue a joint press release announcing the voting results of the WaveRider special meeting promptly after the meeting is held.

Questions and Answers About the WaveRider Special Meeting

Q: When and where will the WaveRider special meeting be held? (see page 30)

A: The special meeting of WaveRider stockholders will begin promptly at 2:00 p.m., local time, at WaveRider's headquarters located at 255 Consumers Road, Suite 500, Toronto, Ontario, M2J 1R4 on March 20, 2006. Check in will begin at 1:00 p.m. Please allow ample time for the check-in procedures.

Q: How can I attend the WaveRider special meeting? (see page 31)

A: You are entitled to attend the special meeting only if you were a WaveRider stockholder as of the close of business on February 8, 2006, the record date for the WaveRider special meeting, or you hold a valid proxy for the special meeting. You should be prepared to present valid government-issued photo identification for admittance to the special meeting. In addition, if you are a record holder, your name will be verified against the list of record holders on the record date prior to being admitted to the meeting. If you are not a record holder but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to the record date, or other similar evidence of ownership. If you do not provide valid government-issued photo identification or comply with the other procedures outlined above upon request, you may not be admitted to the special meeting.

Q: How can I vote? (see page 32)

A: You may direct your vote without attending the WaveRider special meeting. If you are a stockholder of record, you may vote by granting a proxy. If you hold shares of WaveRider in street name, you may vote by

- completing, signing, dating and returning the proxy card in the pre-addressed envelope provided;
- using the telephone; or
- using the Internet.

For specific instructions on how to vote by telephone or through the Internet, please refer to the instructions on your proxy or voting instruction card. If you hold your shares of WaveRider common stock in a stock brokerage account or if your shares are held in street name, you must provide the record holder of your shares with instructions on how to vote your shares. Please check the voting instruction card used by your broker or nominee to see if you may vote using the telephone or the Internet. If you are a stockholder of record, you may also vote at the WaveRider special meeting. If you hold shares in street name, you may not vote in person at the WaveRider special meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares only if you provide instructions on how to vote. Therefore, you should be sure to provide your broker with instructions on how to vote your shares. Without instructions, your shares will not be voted, which will have the effect of a vote against the approval and adoption of the merger agreement and approval of the merger.

Q: What should I do if I receive more than one set of voting materials?

A: **Please complete, sign, date and return each proxy card and voting instruction card that you receive.** You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If your shares are held in more than one name, you will receive more than one proxy or voting instruction card.

Q: May I change my vote after I have mailed my signed proxy or voting instruction card or voted using the telephone or Internet? (see page 33)

A: Yes. If you have completed a proxy, you may change your vote at any time before your proxy is voted at the WaveRider special meeting. You can do this in one of four ways:

- send a written, dated notice to the Secretary of WaveRider at WaveRider's principal executive offices stating that you would like to revoke your proxy;
- complete, date and submit a new later-dated proxy card;
- vote at a later date by telephone or by using the Internet; or
- attend the special meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker or bank to vote your shares of WaveRider common stock by executing a voting instruction card or by using the telephone or Internet, you must follow the directions received from your broker or bank to change your instructions.

Q: What happens if I do not indicate how to vote on my proxy card? (see page 32)

A: If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be counted as a vote "**FOR**" the proposal to approve and adopt the merger agreement and approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

Q: What happens if I do not return a proxy card or vote? (see page 32)

A: If you do not sign and send in your proxy card, vote using the telephone or Internet or vote at the special meeting or if you mark the "abstain" box on the proxy card, it will have the same effect as a vote against the approval and adoption of the merger agreement and approval of the merger. Moreover, failure to vote or give voting instructions to your broker or nominee for the WaveRider special meeting could make it more difficult to ensure that a quorum is present at the WaveRider special meeting. Therefore, whether or not you plan on attending the special meeting, you are urged to vote.

Q: Who can answer my questions about the merger or WaveRider's special meeting of stockholders?

A: If you would like additional copies of this proxy statement/prospectus without charge or if you have any questions about the merger or WaveRider's special meeting of stockholders, including the procedures for voting your shares, you should contact:

Investor Relations
WaveRider Communications Inc.
255 Consumers Road, Suite 500
Toronto, Ontario M2J 1R4
Phone: (416)502-3200
Email: investors@WaveRider.com

SUMMARY

The following is a summary of the information contained in this proxy statement/prospectus. This summary may not contain all of the information about the merger and the adjournment proposal that is important to you. For a more complete description of the merger and the adjournment proposal, we encourage you to read carefully this entire proxy statement/prospectus, including the attached annexes. You are encouraged to read the information under the heading "Risk Factors" beginning on page 17 of this proxy statement/prospectus for a discussion of important factors you should consider in connection with the merger. For more information, please see "Where You Can Find More Information" on page 123 of this proxy statement/prospectus.

The Merger and the Merger Agreement

Wave Wireless has agreed to acquire WaveRider under the terms of a merger agreement between the companies that is described in this proxy statement/prospectus. Under the terms of the merger agreement, Wave Acquisition Corporation, a newly formed, wholly-owned subsidiary of Wave Wireless, will merge with and into WaveRider with WaveRider surviving the merger as a wholly-owned subsidiary of Wave Wireless. Upon completion of the merger, it is anticipated that holders of WaveRider common stock will be entitled to receive approximately 1.3 shares of Wave Wireless common stock (subject to adjustment as described in the section entitled "The Merger Agreement—Conversion of WaveRider Common Stock in the Merger" on page 45 of this proxy statement/prospectus) for each share of WaveRider common stock that they then hold. A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus, and we encourage you to read the merger agreement in its entirety.

Parties to the Merger

Wave Wireless Corporation
1996 Lundy Avenue
San Jose California 95131
(408) 943-4200

Wave Wireless develops, manufactures, and markets highly secure and reliable wireless mesh routers to the telecommunications market worldwide. Wave Wireless' wireless mesh routers are designed to combine high performance, multiple operating frequencies and hardware AES encryption to provide networking professionals with flexible and scalable mesh routers for integrated network requirements of Internet access and private networks including security and surveillance requirements. Cellular and personal communications service (PCS) providers utilize Wave Wireless' repair and maintenance business for a range of services required to support technical issues associated with the installation, maintenance and operation of refurbished legacy Wave Wireless licensed products. Wave Wireless is traded on the OTC Bulletin Board, under the symbol "WVWC." For more information visit www.wavewireless.com or call 408-943-4200.

WaveRider Communications Inc.
255 Consumers Road, Suite 500
Toronto, Ontario M2J 1R4
(416) 502-3200

WaveRider Communications Inc. provides broadband wireless deployments and technologies. WaveRider's Last Mile Solution® non-line-of-sight 900 MHz and 5.8 GHz networks enable communications providers to establish full-saturation coverage networks, deliver communications services, and generate a rapid return on their investment. WaveRider is committed to the development of standards-based wireless technologies that support advanced applications and address the needs of the North American and International markets. WaveRider is traded on the OTC Bulletin Board, under the symbol WAVR. For more information, visit www.waverider.com or call (416) 502-3200.

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Wave Acquisition Corporation
1996 Lundy Avenue
San Jose California 95131
(408) 943-4200

Wave Acquisition Corporation is a newly formed, wholly owned subsidiary of Wave Wireless. Wave Acquisition Corporation was formed on December 28, 2005 solely to effect the merger and has not conducted any business during any period of its existence.

Recommendation of the WaveRider Board of Directors (see page 38)

After careful consideration, the WaveRider board of directors determined that the merger agreement and the merger are advisable, fair to and in the best interests of WaveRider and its stockholders and unanimously approved the merger agreement and the merger. The WaveRider board of directors unanimously recommends that the WaveRider stockholders vote "**FOR**" the proposal to approve and adopt the merger agreement and to approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

Risk Factors (see page 17)

The "Risk Factors" beginning on page 17 of this proxy statement/prospectus, should be considered carefully by WaveRider stockholders in evaluating whether to approve and adopt the merger agreement and approve the merger. These risk factors should be considered along with any additional risk factors in the reports of Wave Wireless and WaveRider filed with the Securities and Exchange Commission and any other information included in this proxy statement/prospectus.

Special Meeting of Stockholders of WaveRider (see page 30)

WaveRider will hold a special meeting of its stockholders on March 20, 2006, at 2:00 p.m., local time, at WaveRider's corporate headquarters located at 255 Consumers Road, Suite 500, Toronto, Ontario M2J 1R4, at which stockholders will be asked to vote upon a proposal to approve and adopt the merger agreement and approve the merger and a proposal to permit adjournment or postponement of the WaveRider special meeting.

All WaveRider Executive Officers and Directors Have Interests in the Merger (see page 39)

When WaveRider stockholders consider the recommendation of the WaveRider board of directors that they vote in favor of the proposal to approve and adopt the merger agreement and approve the merger, WaveRider stockholders should be aware that all of the WaveRider directors and executive officers have interests in the merger that may be different from, or in addition to, their interests as stockholders of WaveRider. These interests include:

- the continued indemnification of current directors and officers of WaveRider under the merger agreement and the continuation of directors' and officers' liability insurance after the merger;
- the retention of some of the officers of WaveRider as officers, employees or consultants of Wave Wireless or its subsidiaries, which include, Charles W. Brown, WaveRider's Chief Executive Officer, who will become Chief Executive Officer of Wave Wireless, and T. Scott Worthington, WaveRider's Chief Financial Officer, who will become Chief Financial Officer of Wave Wireless;
- appointment of three WaveRider designees to the Wave Wireless board of directors, in addition to Mr. Brown; and

- the assumption of WaveRider stock options by Wave Wireless.

For a more detailed description of the interests of the directors and executive officers of WaveRider, please see the section entitled "The Merger—Interests of WaveRider Directors and Executive Officers in the Merger" beginning on page 39 of this proxy statement/prospectus.

Conditions to Completion of the Merger (see page 54)

Several conditions must be satisfied or waived before we complete the merger, including those summarized below:

- approval and adoption of the merger agreement and approval of the merger by the affirmative vote of holders of a majority of the shares of WaveRider voting stock outstanding on the record date;
- absence of any law, regulation or order making the merger illegal or otherwise prohibiting or delaying the merger;
- accuracy of each party's respective representations and warranties in the merger agreement, except as would not have a material adverse effect on such party;
- material compliance by each party with its covenants in the merger agreement; and
- absence of any material change that has had or would have a material adverse effect on WaveRider.

WaveRider and Wave Wireless are Prohibited from Soliciting Other Offers (see page 51)

The merger agreement contains detailed provisions that prohibit WaveRider, Wave Wireless and their subsidiaries, and their officers and directors, from taking any action to solicit or engage in discussions or participate in negotiations with any person or group with respect to an acquisition proposal as defined in the merger agreement, including an acquisition that would result in the person or group acquiring more than a 15% interest in WaveRider's total outstanding voting securities, a sale of more than 15% of WaveRider's or Wave Wireless', as the case may be, assets or a merger or other business combination. WaveRider and Wave Wireless are also required to use commercially reasonable efforts to cause their non-officer employees and advisors to comply with these restrictions. The merger agreement does not, however, prohibit WaveRider or its board of directors from considering, and in the event of a tender or exchange offer made directly to WaveRider stockholders potentially recommending, an unsolicited bona fide written acquisition proposal from a third party if specified conditions are met.

Wave Wireless and WaveRider May Terminate the Merger Agreement Under Specified Circumstances (see page 55)

Wave Wireless and WaveRider may terminate the merger agreement by mutual consent with the approval of their respective boards of directors. In addition, either Wave Wireless or WaveRider may terminate the merger agreement if:

- the merger is not consummated by April 30, 2006;
- a court or other governmental entity issues a final, non-appealable order, decree or ruling or takes any other action having the effect of permanently restraining, enjoining or prohibiting the merger; or
- the WaveRider stockholders do not approve and adopt the merger agreement and approve the merger at the WaveRider special meeting.

Wave Wireless and WaveRider may terminate the merger agreement under other specified conditions described in the section entitled "The Merger Agreement—Termination of the Merger Agreement" on page 55 of this proxy statement/prospectus.

Payment of a Termination Fee under Specified Circumstances (see page 55)

The merger agreement may be terminated by either Wave Wireless or WaveRider under specified circumstances. If the merger agreement is terminated, Wave Wireless or WaveRider may be required to pay to the other party a termination fee of up to $300,000.

Treatment of the Merger for United States Federal Income Tax Purposes (see page 41)

Wave Wireless and WaveRider expect, but cannot be certain, that for United States federal income tax purposes, the merger will be treated as a tax-free reorganization, with the result that WaveRider stockholders will not recognize gain or loss on the exchange of WaveRider common shares in the merger for shares of Wave Wireless common stock, except to the extent of the cash, if any, received in lieu of a fractional share of common stock of the combined company. Inconsistencies under existing law and uncertainties raised by proposed Treasury Regulations, however, create the possibility that the merger will not be treated as a "reorganization" for United States federal income tax purposes, but will instead be treated as a taxable sale of WaveRider common shares, with the result that stockholders will recognize gain or loss in the merger.

Accounting Treatment of the Merger (see page 42)

In accordance with United States generally accepted accounting principles, Wave Wireless will account for the merger under the purchase method of accounting for business combinations.

Dissenters' Rights of Appraisal (see page 43)

Under Nevada law, the stockholders of WaveRider will be entitled to dissent from the merger and obtain cash payment for the fair value of their shares instead of the consideration provided for in the merger agreement.

Comparison of the Rights of Holders of Wave Wireless Common Stock and WaveRider Common Stock (see page 116)

Wave Wireless is incorporated under the laws of the State of Delaware and WaveRider is incorporated under the laws of the State of Nevada. WaveRider stockholders who receive shares of Wave Wireless common stock in connection with the merger will become holders of Wave Wireless common stock, and their rights as such will be governed by the laws of the State of Delaware and the certificate of incorporation and bylaws of Wave Wireless. For a more detailed description of the material differences between the rights of holders of Wave Wireless common stock and WaveRider common stock, please see the section entitled "Comparison of Rights of Holders of Wave Wireless common stock and WaveRider common stock" beginning on page 116 of this proxy statement/prospectus.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WAVE WIRELESS

The table below presents a summary of selected historical consolidated financial data with respect to Wave Wireless as of the dates and for the periods indicated. The historical consolidated statement of operations data presented below for the fiscal years ended December 31, 2004, 2003 and 2002 and the historical balance sheet data as of December 31, 2004 and 2003 have been derived from Wave Wireless' audited historical consolidated financial statements, which are included in this proxy statement prospectus beginning on page F-C1. The historical consolidated statement of operations data for the nine months ended September 30, 2005 and September 30, 2004 and the historical balance sheet data as of September 30, 2005 and 2004 have been derived from Wave Wireless' unaudited interim condensed historical consolidated financial statements which are included in this proxy statement prospectus beginning on page F-B1. Operating results of the nine months ended September 30, 2005 and September 30, 2004 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2005 or any other period. In the opinion of Wave Wireless' management, the accompanying unaudited financial data included all adjustments (consisting only of normal recurring adjustments) necessary for their fair presentation. The historical consolidated statement of operations data presented below for the fiscal years ended December 31, 2001 and 2000 and the historical balance sheet data as of December 31, 2002, 2001 and 2000 are derived from Wave Wireless' audited historical consolidated financial statements which are not included in, or incorporated by reference into, this proxy statement/prospectus. The historical results are not necessarily indicative of results to be expected for any future period.

You should read the summary consolidated financial data set forth below in conjunction with Wave Wireless' historical financial statements and related notes set forth on pages F-C1 through F-C37 of this proxy statement/prospectus and the section entitled "Wave Wireless Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 73 of this proxy statement/prospectus.

	Year Ended December 31, 2004	2003	2002	2001	2000	Nine Months Ended September 30, 2005	2004
						(unaudited)	
	(in thousands, except per share data)						
Consolidated Statement of Operations Data:							
Total revenue	$ 24,175	$ 20,841	$ 29,686	$ 73,236	$ 183,606	$ 9,691	$ 19,897
Total cost of revenue (1)	18,720	20,604	30,777	94,890	160,965	7,028	15,009
Gross profit	5,455	237	(1,091)	(21,654)	22,641	2,663	4,888
Total operating expenses (2)(3)(4)	16,300	18,975	41,525	61,540	69,343	13,241	12,396
Loss from operations	(10,845)	(18,738)	(42,616)	(83,194)	(46,702)	(10,578)	(7,508)
Non-operating items (5)(6)(7)(8)(9)	7,525	5,852	(11,690)	7,656	(23,247)	(986)	7,942
Net income (loss)	$ (3,320)	$ (12,886)	$ (54,306)	$ (75,538)	$ (69,949)	$ (11,564)	$ 434
Preferred stock charges (10)	(2,548)	(1,521)	—	—	—	(3,829)	(2,132)
Net loss attributable to common stockholders	(5,868)	(14,407)	(54,306)	(75,538)	(69,949)	(15,393)	(1,698)
Basic and diluted loss per share (11)	$ (0.56)	$ (7.98)	$ (63.77)	$ (136.92)	$ (134.40)	$ (1.10)	$ (0.16)
Shares used in computing basic and diluted loss per share	10,429	1,805	852	552	520	13,931	10,842

	As of December 31, 2004	2003	2002	2001	2000	As of September 30, 2005	2004
						(unaudited)	
	(in thousands)						
Consolidated Balance Sheet Data:							
Total assets	$ 25,423	$ 34,565	$ 35,723	$ 92,234	$ 216,219	$ 17,361	$ 29,041
Working capital	1,283	(2,075)	(2,356)	(10,185)	76,823	(7,320)	1,730
Long-term portion of obligations	—	—	24,488	769	30,290	1,520	150
Redemable preferred stock (10)	6,106	4,231	—	—	—	—	5,849
Total stockholders' equity	$ 7,508	$ 9,753	$ (15,350)	$ 24,256	$ 95,247	$ 3,870	$ 9,989

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(1) In 2004, this caption reflects charges of approximately $1.1 million for contractual losses and obsolescence of uncontracted inventory purchases. In 2003, this caption reflects charges of approximately $3.4 million related to excess and obsolete inventory. In 2002, this caption reflects charges of approximately $5.8 million related to excess and obsolete inventory. In 2001, this caption reflects charges of approximately $30 million related to excess inventory and inventory purchase commitments. In 2000, this caption reflects charges of $21.7 million related to excess inventory and purchase commitments.

(2) In 2001, this caption reflects a $11.6 million charge for bad debt arising from the bankruptcy of a customer.

(3)

In 2002, 2001 and 2000, this caption reflects impairment and amortization charges made to Wave Wireless' goodwill carrying value of $11.4 million, $8.0 million and $19.6 million, respectively.

(4) In 2003, this caption reflects restructuring charges that were recorded due to exiting certain product lines. Restructuring charges were expensed when the loss was estimable and incurred.

(5) In 2001, this caption reflects a realized gain on the sale of Wave Wireless' RT Masts subsidiary.

(6) In 2004, this caption reflects a restructuring gain of $7.5 million related to a contract settlement.

(7) In 2000, this caption includes a $9.9 million charge to income tax expense, representing an increase in the valuation allowance against the carrying value of deferred tax assets.

(8) Wave Wireless sold its PCNS subsidiary in 2003, which resulted in a loss of $1.5 million and accounted for the transaction as a discontinued operation. In accordance with applicable accounting standards, Wave Wireless restated its financial statements for all periods presented to exclude the operations of PCNS from continuing operations for all periods presented.

(9) In 2002, this caption reflects a $5.5 million charge representing the cumulative effect of Wave Wireless' change in accounting principle for accounting for goodwill. In 2002, this caption reflects a non-cash charge of approximately $1.5 million for the cumulative effect of the accounting change made to comply with SEC revenue recognition standards contained in Staff Accounting Bulletin SAB 101.

(10) The carrying value of Wave Wireless' redeemable preferred stock is discounted for the allocation of proceeds to warrants that were issued concurrent with the sale of redeemable preferred stock and beneficial conversion features embedded in the convertible instrument. Wave Wireless is accreting the redeemable preferred stock to its redemption value through periodic accretions that increase preferred stock and decrease retained earnings. Wave Wireless is required to display preferred stock accretions as an increase to loss applicable to common stockholders.

(11) The per share amounts have been restated to give effect to a one-for-30 reverse stock split on July 19, 2004. The numerator for calculation of net loss per common share from continuing operations is Wave Wireless' net loss from continuing operations for the respective period, less preferred stock dividends and accretions. The numerator for the calculation of net loss per common share from discontinued operations is Wave Wireless' net loss from discontinued operations. The numerator for calculation of the per common share effect of the cumulative effects of accounting changes is the charge associated with the change in accounting principle. In all instances, the denominator, weighted average common shares outstanding, does not include stock options with an exercise price that exceeds the average fair market value of the underlying Wave Wireless common stock or other dilutive securities because the effect would be anti-dilutive.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WAVERIDER

The tables below present summary selected historical consolidated financial data of WaveRider prepared in accordance with U.S. GAAP. You should read the information set forth below in conjunction with the selected consolidated financial data, the audited consolidated financial statements (including the notes thereto) and Management's Discussion and Analysis of the Financial Condition and Results of Operations of WaveRider. Among other things, this section includes a discussion of accounting changes, business combinations and dispositions of businesses affecting the comparability of the information reflected in the selected financial data.

The summary selected historical consolidated statements of operations for each of the fiscal years in the three year period ended December 31, 2004 and the summary selected historical consolidated balance sheet data as of December 31, 2004 and 2003 are derived from the audited consolidated financial statements of WaveRider and the related notes thereto, which are included in this proxy statement/prospectus beginning on page F-E1. The summary selected historical consolidated statement of operations data for the fiscal years ended December 31, 2001 and 2000 and the summary selected historical consolidated balance sheet data as of December 31, 2002, 2001 and 2000 are derived from audited consolidated financial statements that are not included in, or incorporated by reference into, this proxy statement/prospectus.

	Year Ended December 31,					Nine Months Ended September 30,	
	2004	2003	2002	2001	2000	2005	2004
						(unaudited)	
	(in thousands, except per share data)						
Consolidated Statement of Operations Data:							
Total revenue	$ 9,542	$ 13,079	$ 9,009	$ 7,804	$ 4,133	$ 7,930	$ 7,388
Total cost of revenue	6,193	7,899	6,779	5,956	5,239	5,235	4,894
Gross profit	3,349	5,180	2,230	1,848	(1,106)	2,695	2,494
Total operating expenses	6,931	7,074	8,814	17,607	30,831	3,599	5,525
Loss from operations	(3,582)	(1,894)	(6,584)	(15,759)	(31,937)	(904)	(3,031)
Non-operating items	(1,943)	(308)	(4,666)	5,734	464	(180)	(2,010)
Net income (loss)	$ (1,639)	$ (1,586)	$ (11,250)	$ (21,493)	$ (31,473)	$ (1,084)	$ (1,021)
Basic and diluted loss per share	$ (0.11)	$ (0.12)	$ (1.07)	$ (3.74)	$ (5.92)	$ (0.05)	$ (0.07)
Shares used in computing basic and diluted loss per share	15,139	13,068	10,526	6,027	5,320	23,524	14,837

	As of December 31,					As of September 30,	
	2004	2003	2002	2001	2000	2005	2004
						(unaudited)	
				(in thousands)			
Consolidated Balance Sheet Data:							
Total assets	$ 3,838	$ 5,486	$ 5,484	$ 4,645	$ 20,933	$ 3,168	$ 9,553
Working capital	409	(46)	2,296	780	7,331	(580)	127
Long-term obligations	1,579	653	777	6	2,060	891	707
Total stockholders' equity	$ (873)	$ (291)	$ 1,927	$ 1,660	$ 12,183	$ (1,262)	$ 2,694

SELECTED UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following selected unaudited pro forma condensed consolidated financial data were prepared using the purchase method of accounting and are based upon the historical financial statements of Wave Wireless and WaveRider adjusted to give effect to the merger as if it had occurred on January 1, 2004 for the consolidated statement of operations data and on December 31, 2004 for the consolidated balance sheet data. After considering the criteria set forth in paragraphs 17-19 of Statement of Financial Accounting Standards No. 141, Wave Wireless and WaveRider have determined that, for accounting purposes, Wave Wireless is the acquiring entity in the merger (see page F-A4 of this proxy/statement/prospectus). The pro forma financial information for the year ended December 31, 2004 has been developed from (a) the audited consolidated financial statements of Wave Wireless for the year ended December 31, 2004, which are included in this proxy statement/prospectus beginning on page F-C1, and (b) the audited consolidated financial statements of WaveRider for the year ended December 31, 2004, which are included in this proxy statement/prospectus beginning on page F-E1. The pro forma financial information for the nine months ended September 30, 2005 has been developed from (a) the unaudited condensed consolidated financial statements of Wave Wireless for the nine months ended September 30, 2005, which are included in this proxy statement/prospectus beginning on page F-B1, and (b) the unaudited consolidated financial statements of WaveRider for the nine months ended September 30, 2005, which are included in this proxy statement/prospectus beginning on page F-D1.

The selected unaudited pro forma condensed consolidated financial data is based on estimates and assumptions, which are preliminary. This data is presented for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial condition of Wave Wireless that would have been reported had the merger been completed as of the dates presented, and should not be taken as representative of future consolidated results of operations or financial condition of Wave Wireless.

This selected unaudited pro forma condensed consolidated financial data should be read in conjunction with the summary selected historical consolidated financial data and the unaudited pro forma condensed consolidated financial statements and accompanying notes contained elsewhere in this proxy/statement prospectus and the separate historical consolidated financial statements and accompanying notes of Wave Wireless and WaveRider included in this proxy statement/prospectus beginning on page F-1.

Selected Unaudited Pro Forma Condensed Consolidated Financial Data (1)
(in thousands, except per share amounts)

	Year ended December 31, 2004	Nine months ended September 30, 2005
Pro forma consolidated statement of operations data:		
Total revenue	$ 33,717	$ 17,621
Gross profit	8,804	5,358
Income (loss) from operations	(14,427)	(11,482)
Non-operating items	7,346	(903)
Net income (loss)	(7,081)	(12,385)
Preferred stock accretions and dividends	(2,548)	(3,829)
Net loss attributable to common shareholders	$ (9,629)	$ (16,214)
Basic and diluted net income (loss) per share	$ (0.12)	$ (0.20)
Shares used in computing basic and diluted net income (loss) per share	78,142	81,644

		As of September 30, 2005
Pro forma consolidated balance sheet data:		
Non-restricted cash and cash equivalents, short- and long-term investments	$	854
Total assets		30,174
Working capital (deficiency)		(5,808)
Total long term liabilities		1,520
Total stockholders' equity	$	15,237

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(1) See the section entitled “Unaudited Pro Forma Condensed Consolidated Financial Information” on page 56 of this proxy statement/prospectus.

COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The following table presents certain unaudited historical per share data and pro forma per share data of Wave Wireless and WaveRider after giving effect to the acquisition of WaveRider by Wave Wireless using the purchase method of accounting. The pro forma data does not purport to be indicative of the results of future operations or the results that would have occurred had the acquisition been consummated at the beginning of the periods presented. The information set forth below should be read in conjunction with the historical consolidated financial statements and notes thereto of Wave Wireless and WaveRider included in this proxy statement/prospectus beginning on page F-1, and the unaudited pro forma condensed combined consolidated financial data included elsewhere in this proxy statement/prospectus. The unaudited pro forma combined and unaudited pro forma equivalent per share data combine the results of operations of Wave Wireless and WaveRider for the year ended December 31, 2004, the results of operations of Wave Wireless and WaveRider for the nine months ended September 30, 2005, and Wave Wireless' financial position at September 30, 2005 with WaveRider's financial position at September 30, 2005. No cash dividends have ever been declared or paid on Wave Wireless common stock or WaveRider common stock.

	Wave Wireless			WaveRider
Net income (loss) per share (diluted):			**Net income (loss) per share (diluted):**	
Year ended December 31, 2004		($0.56)	Year ended December 31, 2004	($0.11)
Nine months ended September 30, 2005		($1.10)	Nine months ended September 30, 2005	($0.05)
Book value (deficit) per share (1):			**Book value (deficit) per share (1):**	
December 31, 2004	$	0.63	December 31, 2004	($0.05)
September 30, 2005	$	0.28	September 30, 2005	($0.04)

		WaveWireless Pro Forma Combined	WaveRider Equivalent Pro Forma Combined (2)
Net income (loss) per share (diluted):			
Year ended December 31, 2004		($0.12)	($0.08)
Nine months ended September 30, 2005		($0.20)	($0.04)
Book value (deficit) per share (1):			
September 30, 2005	$	0.19	($0.03)

(1) Historical book value per share is computed by dividing stockholders' equity by the number of shares of Wave Wireless or WaveRider common stock outstanding at the end of each period. Pro forma book value per share is computed by dividing pro forma stockholders' equity by the pro forma number of shares of Wave Wireless common stock outstanding at the end of each period.

(2) The WaveRider equivalent pro forma combined per share amounts are calculated by multiplying the Wave Wireless combined pro forma share amounts by the anticipated exchange ratio in the merger of approximately 1.3 shares of Wave Wireless common stock (subject to adjustment) for each share of WaveRider common stock.

COMPARATIVE PER SHARE MARKET PRICE DATA

Wave Wireless common stock trades on the OTC Bulletin Board under the symbol "WVWC." WaveRider common stock trades on the OTC Bulletin Board under the symbol "WAVR."

The following table shows, for the calendar quarters indicated, the high and low sale prices per share, adjusted for stock splits, reverse stock splits and stock dividends, of Wave Wireless common stock and WaveRider common stock as reported on the OTC Bulletin Board.

Calendar Quarters	Wave Wireless High	Wave Wireless Low	WaveRider High	WaveRider Low
2004:				
First Quarter	$ 6.00	$ 1.80	$ 3.50	$ 2.20
Second Quarter	2.31	1.17	2.50	0.90
Third Quarter	1.26	0.63	1.15	0.90
Fourth Quarter	0.66	0.38	0.35	0.22
2005:				
First Quarter	0.59	0.10	0.29	0.05
Second Quarter	0.26	0.01	0.09	0.01
Third Quarter	0.34	0.15	0.06	0.03
Fourth Quarter	0.24	0.13	0.21	0.04
2006:				
First Quarter (through February 8, 2006)	0.20	0.09	0.15	0.10

The following table shows the high and low sales prices per share of Wave Wireless common stock and WaveRider common stock, each as reported on the OTC Bulletin Board on (1) November 16, 2005, the last full trading day preceding the public announcement of the proposed merger of Wave Wireless and WaveRider had entered into the merger agreement, and (2) February 8, 2006, the last full trading day for which high and low sales prices were available as of the date of this proxy statement/prospectus. The table also includes the equivalent high and low sales prices per share of WaveRider common stock on those dates. These equivalent high and low sales prices per share reflect the value of the Wave Wireless common stock that a WaveRider stockholder would receive for each share of WaveRider common stock if the merger were completed on either of those dates applying the anticipated exchange ratio of approximately 1.3 shares of Wave Wireless common stock (subject to adjustment) for each share of WaveRider common stock and using the closing sale price of Wave Wireless common stock on those dates.

	Wave Wireless Common Stock		WaveRider Common Stock		Equivalent Price Per Share	
	High	Low	High	Low	High	Low
November 16, 2005	$ 0.16	$ 0.13	$ 0.07	$ 0.06	$ 0.21	$ 0.17
February 8, 2006	0.16	0.13	0.13	0.12	0.21	0.17

The above table shows only historical comparisons. These comparisons may not provide meaningful information to WaveRider stockholders in determining whether to approve and adopt the merger agreement and approve the merger. WaveRider stockholders are urged to obtain current market quotations for Wave Wireless and WaveRider common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to approve and adopt the merger agreement and approve the merger. See the section entitled "Where You Can Find More Information" on page 123 of this proxy statement/prospectus.

As of the record date, there were approximately 1,123 holders of record of WaveRider common stock.

Neither Wave Wireless nor WaveRider has ever declared or paid a cash dividend on its common stock. Wave Wireless and WaveRider currently intend to retain any future earnings to fund the growth and development of their businesses and do not anticipate paying any cash dividends in the foreseeable future.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement/prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions, that, if they never materialize or prove incorrect, could cause the results of Wave Wireless and its consolidated subsidiaries, on the one hand, or WaveRider and its consolidated subsidiaries, on the other, to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including:

- any projections of earnings, revenues, synergies, cost savings or other financial items;
- any statements of the plans, strategies and objectives of management for future operations, including the execution of integration plans and the anticipated timing of filings and approvals relating to the merger;
- any statements concerning proposed new products, services or developments;
- any statements regarding future economic conditions or performance;
- any statements regarding outcome of claims and litigation;
- any statements of belief; and
- any statements of assumptions underlying any of the foregoing.

The risks, uncertainties and assumptions referred to above include:

- the difficulty of keeping expense growth at modest levels while increasing revenues;
- the challenges of integration associated with the merger and the challenges of achieving anticipated synergies;
- the possibility that the merger may not close;
- the assumption of maintaining revenues on a combined company basis following the close of the merger; and
- other risks that are described in the section entitled “Risk Factors,” which follows on the next page, and in the documents that are incorporated by reference into this proxy statement/prospectus.

If any of these risks or uncertainties materializes or any of these assumptions proves incorrect, results of Wave Wireless and WaveRider could differ materially from the expectations in these statements. Wave Wireless and WaveRider are not under any obligation and do not intend to update their respective forward-looking statements.

RISK FACTORS

Wave Wireless and WaveRider will operate as a combined company in a market environment that is difficult to predict and that involves significant risks, many of which will be beyond the combined company's control. In addition to the other information contained in this proxy statement/prospectus, you should carefully consider the risks described below before deciding how to vote your shares. Additional risks and uncertainties not presently known to Wave Wireless and WaveRider or that are not currently believed to be important to you, if they materialize, also may adversely affect the merger and Wave Wireless and WaveRider as a combined company.

Risks Related to the Merger

Although Wave Wireless and WaveRider expect that the merger will result in benefits to the combined company, the combined company may not realize those benefits because of integration and other challenges.

The failure of the combined company to meet the challenges involved in integrating the operations of Wave Wireless and WaveRider successfully or otherwise to realize any of the anticipated benefits of the merger could seriously harm the results of operations of the combined company. Realizing the benefits of the merger will depend in part on the successful integration of technology, products, services, operations and personnel. The integration of the companies is a complex, time-consuming and expensive process that, without proper planning and implementation, could significantly disrupt the business, controls and procedures of the combined company. The challenges involved in this integration include the following:

- successfully combining product and service offerings;
- coordinating research and development activities to enhance introduction of new products and services;
- preserving customer, distribution, reseller, manufacturing, supplier and other important relationships of both Wave Wireless and WaveRider and resolving potential conflicts that may arise;
- minimizing the diversion of management attention from other strategic opportunities and operational matters;
- addressing differences in the business cultures of Wave Wireless and WaveRider, maintaining employee morale and retaining key employees; and
- coordinating and combining overseas operations, relationships and facilities, which may be subject to additional constraints imposed by geographic distance, local laws and regulations.

The combined company may not successfully integrate the operations of Wave Wireless and WaveRider in a timely manner, or at all, and the combined company may not realize the anticipated benefits of the merger to the extent, or in the timeframe, anticipated. The anticipated benefits of the merger are based on projections and assumptions, including successful integration, not actual experience. In addition to the integration risks discussed above, the combined company's ability to realize these benefits could be adversely affected by practical or legal constraints on its ability to combine operations.

Neither Wave Wireless nor WaveRider has obtained fairness or other opinions regarding the fairness of the proposed merger to WaveRider's or Wave Wireless' shareholders.

No professional opinion of legal counsel, public accountants, or investment bankers was obtained regarding the fairness of the proposed merger to either company's shareholders. The consideration to be received by the stockholders of WaveRider and the other terms of the merger were determined by the board of directors of Wave Wireless and

WaveRider, following a recommendation from their respective management, and may not reflect the value of the net assets of either company if an independent third party had been involved in negotiation of the terms of the merger.

The shares of Wave Wireless common stock that WaveRider stockholders will receive as part of the merger consideration may not maintain their value.

At the closing of the merger, each share of WaveRider common stock is expected to be exchanged for approximately 1.3 shares of Wave Wireless common stock (subject to adjustment as described in the section entitled "The Merger Agreement—Conversion of WaveRider Common Stock in the Merger" on page 45 of this proxy statement/prospectus). There will be no adjustment in the number of shares of Wave Wireless common stock issued to WaveRider stockholders (or reserved for issuance pursuant to assumed WaveRider stock options and warrants) because of changes in the market price of either Wave Wireless common stock or WaveRider common stock. Accordingly, the specific dollar value of Wave Wireless common stock that WaveRider stockholders will receive upon the merger's completion will depend entirely upon the market value of Wave Wireless common stock at the time the merger is completed. This value may substantially decrease from the date you submit your proxy. Moreover, completion of the merger may occur some time after WaveRider stockholder approval has been obtained, so that the specific dollar value of Wave Wireless common stock that WaveRider stockholders will receive upon the merger's completion may substantially decrease from the date of the special meeting of WaveRider stockholders. In addition, WaveRider or Wave Wireless may only terminate the merger agreement or refuse to complete the merger in certain limited circumstances which do not include changes in the dollar value of Wave Wireless common stock or WaveRider common stock. The share prices of Wave Wireless common stock and WaveRider common stock are subject to the general price fluctuations in the market for publicly-traded equity securities, and the prices of both companies' common stock have experienced volatility in the past. Wave Wireless and WaveRider urge you to obtain recent market quotations for Wave Wireless common stock and WaveRider common stock. Neither Wave Wireless nor WaveRider can predict or give any assurances as to the respective market prices of its common stock at any time before or after the completion of the merger.

Wave Wireless common stock is considered "penny stock," which may severely limit the ability of the holders of Wave Wireless common stock to sell their shares.

Effective March 10, 2003, Wave Wireless common stock commenced trading electronically on the OTC Bulletin Board of the National Association of Securities Dealers, Inc., resulting in a less liquid market to trade shares of Wave Wireless common stock, relative to the liquidity provided by the NASDAQ National Market or the NASDAQ Small Cap Market, where Wave Wireless common stock previously was listed. In addition, Wave Wireless common stock is subject to the Securities Exchange Commission's "penny stock" regulation. For transactions covered by this regulation, broker-dealers must make a special suitability determination for the purchase of the securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, the rules generally require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the penny stock market. The broker-dealer is also subject to additional sales practice requirements. Consequently, the penny stock rules may restrict the ability of broker-dealers to sell Wave Wireless common stock and may affect the ability of holders to sell Wave Wireless common stock in the secondary market, and the price at which a holder can sell Wave Wireless common stock.

Wave Wireless' stock price has been volatile and has experienced significant decline, and it may continue to be volatile and decline.

Wave Wireless common stock is thinly traded on the OTC Bulletin Board. The market for Wave Wireless common stock may continue to be an inactive market, and the market price of Wave Wireless common stock may experience significant volatility. In recent years, the stock market in general, and the market for shares of small capitalization technology stocks in particular, have experienced extreme price fluctuations. These fluctuations have often negatively affected small cap companies such as Wave Wireless, and may impact its ability to raise equity capital during periods of limited liquidity. Companies with liquidity problems also often experience downward stock price volatility. Wave Wireless believes that factors such as announcements of developments related to its business (including any financings or any resolution of liabilities), announcements of technological innovations or new products or enhancements by Wave Wireless or its competitors, developments in the emerging countries' economies, sales by competitors, sales of significant volumes of Wave Wireless common stock into the public market, developments in its relationships with customers, partners, lenders, distributors and suppliers, shortfalls or changes in revenues, gross margins, earnings or losses or other financial results that differ from analysts' expectations, regulatory developments and fluctuations in results of operations could and have caused the price of Wave Wireless common stock to fluctuate widely and decline over the past two years. The market price of Wave Wireless common stock may continue to decline, or otherwise continue to experience significant fluctuations in the future, including fluctuations that are unrelated to Wave Wireless' performance, and Wave Wireless stockholders may not be able to resell shares of Wave Wireless common stock at or above the price paid for those shares.

Wave Wireless and WaveRider each expect to incur significant costs associated with the merger which could leave the combined company with inadequate working capital to support its business plan.

Wave Wireless estimates that it will incur direct transaction costs of approximately $300,000 in cash associated with the merger, which will be included as part of the total purchase price for financial accounting purposes. In addition, WaveRider estimates that it will incur direct transaction costs of approximately $100,000 in cash, which will be recognized as expenses as incurred. Wave Wireless and WaveRider believe the combined entity may incur charges to operations, which cannot be reasonably estimated at this time, in the quarter in which the merger is completed or the following quarters, to reflect costs associated with integrating the two companies. There can be no assurance that the combined company will not incur additional material charges in subsequent quarters to reflect additional costs associated with the merger and the integration of the two companies and such costs may adversely affect the financial results, operations and available cash of Wave Wireless, WaveRider or the combined company. These costs could leave Wave Wireless and WaveRider with insufficient working capital to support their operations. In addition, there can be no assurance that either company will be able to raise additional capital or that either company will be able to do so on terms that are not highly dilutive to existing stockholders.

The stock prices and businesses of Wave Wireless and WaveRider may be adversely affected if the merger is not completed.

Completion of the merger is subject to a number of closing conditions, including approval of WaveRider’s stockholders, and WaveRider may be unable to obtain such approval on a timely basis or at all. If the merger is not completed, the price of Wave Wireless common stock and WaveRider common stock may decline to the extent that the current market prices of Wave Wireless common stock and WaveRider common stock reflect a market assumption that the merger will be completed. In addition, either company’s operations may be harmed to the extent that customers, distributors, resellers and others believe that it cannot effectively compete in the marketplace without the merger, or there is uncertainty surrounding the future direction of the product and service offerings and strategy of Wave Wireless or WaveRider on a standalone basis. If the merger is not completed, Wave Wireless and WaveRider would not derive the strategic benefits expected to result from the merger, which could adversely affect their respective businesses. Wave Wireless and WaveRider will also be required to pay significant costs incurred in connection with the merger, including legal, accounting and a portion of the financial advisory fees, whether or not the merger is completed. In addition, under specified circumstances described in the section entitled “The Merger Agreement—Payment of Termination Fee” beginning on page 55 of this proxy statement/prospectus, WaveRider or Wave Wireless may be required to pay to the other party a termination fee of up to $300,000 in connection with the termination of the merger agreement. These costs could leave Wave Wireless and WaveRider with insufficient working capital to support their operations. In addition, there can be no assurance that either company will be able to raise additional capital or that either company will be able to do so on terms that are not highly dilutive to existing stockholders.

Some of the directors and executive officers of WaveRider have interests and arrangements that could affect their decision to support or approve the merger.

When considering the WaveRider board of directors’ recommendation that the WaveRider stockholders vote in favor of the proposal to approve and adopt the merger agreement and approve the merger, WaveRider stockholders should be aware that the directors and executive officers of WaveRider have interests in the merger that may be different from, or in addition to, the interests of WaveRider stockholders. These interests include:

- the continued indemnification of current directors and officers of WaveRider under the merger agreement and the continuation of directors' and officers' liability insurance after the merger;

- the retention of some of the officers of WaveRider as officers, employees or consultants of Wave Wireless or its subsidiaries, including, Charles W. Brown, WaveRider's Chief Executive Officer, who will become Chief Executive Officer of Wave Wireless, and T. Scott Worthington, WaveRider's Chief Financial Officer, who will become Chief Financial Officer of Wave Wireless;

- appointment of three WaveRider designees to the Wave Wireless board of directors, in addition to Messrs. Brown and Bruce Sinclair, WaveRider's former Chief Executive Officer; and

- the assumption of WaveRider stock options by Wave Wireless.

These interests, among others, may influence the WaveRider directors in recommending that you vote in favor of the proposal to approve and adopt the merger agreement and approve the merger. For a more detailed description of the interests of the directors and executive officers of WaveRider, please see the section entitled "The Merger—Interests of WaveRider Directors and Executive Officers in the Merger" beginning on page 31 of this proxy statement/prospectus.

Charges to future earnings resulting from the application of the purchase method of accounting may adversely affect the market value of Wave Wireless common stock following the merger.

In accordance with United States generally accepted accounting principles, the combined company will account for the merger using the purchase method of accounting, which will result in charges to future earnings that could have a material adverse effect on the market value of Wave Wireless common stock following completion of the merger. Under the purchase method of accounting, the combined company will allocate the total estimated purchase price to WaveRider's net tangible assets and amortizable intangible assets based on their fair values as of the date of completion of the merger, and record the excess of the purchase price over those fair values as goodwill. The combined company will incur amortization expense over the useful lives of amortizable intangible assets acquired in connection with the merger. In addition, to the extent the value of goodwill becomes impaired, the combined company may be required to incur material charges relating to the impairment of that asset. These amortization and potential impairment charges could have a material adverse impact on the combined company's results of operations.

Uncertainty regarding the merger may cause customers, distributors, resellers and others to delay or defer decisions concerning the purchase of Wave Wireless' and WaveRider's products or services which may harm either company's results of operations.

Because the merger is subject to a number of closing conditions, there may be uncertainty regarding its completion. This uncertainty may cause customers, distributors, resellers and others to delay or defer decisions concerning the purchase of Wave Wireless' or WaveRider's products or services, which could negatively affect their businesses and results of operations. Prospective customers could also be reluctant to purchase the products and services of Wave Wireless, WaveRider or the combined company due to uncertainty about the direction of their respective products and services, and willingness to support and service existing products which may be discontinued. In addition, customers, distributors, resellers and others may also seek to change existing agreements with Wave Wireless or WaveRider as a result of the merger. These and other actions by customers, distributors, resellers and others could negatively affect Wave Wireless' and WaveRider's businesses and results of operations.

Wave Wireless, WaveRider and the combined company must continue to retain and motivate executives and other key employees and recruit new employees, which may be difficult in light of uncertainty regarding the merger, and failure to do so could seriously harm Wave Wireless, WaveRider and the combined company.

In order to be successful, during the period before the merger is completed, each of Wave Wireless and WaveRider must continue to retain and motivate executives and other key employees and recruit new employees. Experienced personnel in the networking and network security industries are in high demand and competition for their talents is intense. Employees of Wave Wireless or WaveRider may experience uncertainty about their future role with the combined company until or after strategies with regard to the combined company are announced or executed. These potential distractions of the merger may adversely affect each company's ability to attract, motivate and retain executives and key employees and keep them focused on the strategies and goals of the combined company. Any failure by Wave Wireless or WaveRider to retain and motivate executives and key employees during the period prior to the completion of the merger could seriously harm their respective businesses, as well as the business of the combined company.

The market price of the shares of Wave Wireless common stock may be affected by factors different from or in addition to those affecting the shares of WaveRider common stock.

Upon completion of the merger, holders of WaveRider common stock will become holders of Wave Wireless common stock. An investment in Wave Wireless common stock has different risks than an investment in WaveRider common stock. Former holders of WaveRider common stock will be subject to risks associated with Wave Wireless upon exchange of their shares of WaveRider common stock for Wave Wireless common stock in the merger, some of which are described below in the section entitled "—Risks Related to Wave Wireless" beginning on page 21 of this proxy statement/prospectus.

Wave Wireless' and WaveRider's obligation to pay a termination fee under certain circumstances and the restrictions on their ability to solicit other acquisition proposals may discourage other companies from trying to acquire Wave Wireless or WaveRider.

Until the merger is completed or the merger agreement is terminated, with limited exceptions, the merger agreement prohibits Wave Wireless and WaveRider from entering into or soliciting any acquisition proposal or offer for a merger or other business combination with a party other than WaveRider or Wave Wireless, respectively. Wave Wireless and WaveRider have agreed to pay to the other party a termination fee of up to $300,000 under specified circumstances. These provisions could discourage other companies from trying to acquire Wave Wireless or WaveRider even though they might be willing to offer greater value to Wave Wireless' or WaveRider's stockholders than the proposed merger.

Risks Related to Wave Wireless

Wave Wireless needs additional financing and the failure to obtain additional financing will adversely affect its business.

Wave Wireless needs additional financing to continue operations, as its core business product sales are still significantly below levels necessary to achieve positive cash flow. From inception to December 31, 2004, Wave Wireless' aggregate net loss is approximately $369.0 million. Wave Wireless' cash position has declined to $376,000 at December 31, 2005. Wave Wireless had negative working capital of $6.7 million as of December 31, 2005. As of January 27, 2006, Wave Wireless has issued $1,025,000 in convertible notes due March 31, 2006. To continue as a going concern, Wave Wireless will be required to immediately secure additional debt or equity capital. To address its liquidity requirements, Wave Wireless is aggressively reducing expenses in connection with the implementation of its restructuring plan and also needs to conduct additional debt or equity financings to meet its current and anticipated working capital needs. No assurances can be given that Wave Wireless will be successful in its restructuring plan, or in its attempts to issue raise additional debt or equity financing.

Wave Wireless' prospects for obtaining additional financing are uncertain and failure to obtain needed financing will affect its ability to continue as a going concern.

Wave Wireless' independent registered public accountants' opinion on its 2004 consolidated financial statements includes an explanatory paragraph indicating substantial doubt about Wave Wireless' ability to continue as a going concern. To continue as a going concern, Wave Wireless will have to increase its sales, and possibly induce its creditors to forebear or to convert to equity, raise additional equity financing, and/or raise new debt financing. Wave Wireless may not accomplish these tasks. In the event Wave Wireless is unable to raise additional debt or equity financing, or otherwise improve its liquidity position, Wave Wireless will not be able to continue as a going concern. Wave Wireless future capital requirements will depend upon many factors, including the success of its restructuring plan, the continuation of its RMA Business, development costs of new products and related software, potential acquisition opportunities, maintenance of adequate manufacturing facilities and contract manufacturing agreements, progress of research and development efforts, expansion of marketing and sales efforts, and status of competitive products. Additional financing may not be available in the future on acceptable terms or at all. Wave Wireless' history of substantial operating losses could also severely limit its ability to raise additional financing. If Wave Wireless is unable to obtain additional financing, Wave Wireless may need to seek the protection of the bankruptcy courts and your Wave Wireless shares may become worthless.

Wave Wireless may not be able to repay its existing debt and any repayment of its debt with shares of Wave Wireless stock or by raising additional funds may result in significant dilution to its stockholders.

At December 31, 2005, Wave Wireless owed, including accrued but unpaid interest, an aggregate amount of $4.2 million to SDS Capital Group SPC, Ltd ("SDS"). Interest accrues on such debt at an annual interest rate of 8%, and this rate increases to 10% on April 1, 2006 through the maturity date of the loan, December 31, 2006. Wave Wireless may make the principal and interest payments under our Debenture Facility in either shares of its common stock, cash or a combination of both. In addition, given the recent price for Wave Wireless' common stock, if it makes the required amortization payments on the Debenture Financing using Wave Wireless' common stock, or raise additional funds by issuing equity securities, additional significant dilution to its stockholders will result.

In addition, Wave Wireless owes approximately $1,025,000 under the terms of certain Convertible Notes, and it is currently anticipated that it will issue additional Convertible Notes to satisfy its working capital needs. Interest and accrued interest under the terms of the Convertible Notes mature on March 31, 2006, in the event such Convertible Notes are not previously converted into shares of common stock in connection with an Equity Financing, or otherwise. Wave Wireless may not be able to make the required payments to the holders of the Convertible Notes, or successfully close an Equity Financing. In the event Wave Wireless is not able to close an Equity Financing, and the holders of the Convertible Notes do not otherwise convert the Convertible Notes into shares of Wave Wireless' common stock, Wave Wireless will be unable to repay principal and accrued interest under the Convertible Notes.

Wave Wireless may not be able to make its debenture facility installment payments in shares of its common stock, and its failure to do so would adversely affect its business.

Under Wave Wireless' Debenture Facility, it may not issue shares of common stock to make the quarterly installment payments if the issuance of such shares would result in SDS beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act) more than 9.9% of all of the common stock outstanding at such time. Because of this limitation, Wave Wireless issued SDS shares of Series F Preferred Stock, in lieu of common stock, to make the required amortization payment due June 30, 2005. SDS may waive this ownership blocker, or agree in the future to accept additional shares of preferred stock in lieu of common stock, but it is not obligated to do so. In the event that Wave Wireless is prevented from making an installment payment in shares of common stock due to the ownership blocker, or SDS is unwilling to accept preferred stock in lieu of common stock, and SDS does not waive compliance with this provision, then Wave Wireless may be required to issue preferred stock, or default on its payment obligations under the Debenture Facility. If Wave Wireless is unable to obtain additional financing, Wave Wireless may need to seek the protection of the bankruptcy courts and your Wave Wireless shares may become worthless.

Future sales of Wave Wireless' convertible securities could lower its stock price and adversely affect its ability to raise additional capital in subsequent financings.

As of December 31, 2005, Wave Wireless had issued and outstanding warrants, convertible preferred stock and employee stock options, convertible into 34,364,425 shares of its common stock. In the event of conversion or exercise of any of these convertible securities, future sales of Wave Wireless common stock or the perception that future sales will occur could have a significant negative effect on the market price of Wave Wireless common stock. If the market price of Wave Wireless common stock continues to decrease, Wave Wireless may not be able to conduct additional financings in the future on acceptable terms or at all, and its ability to raise additional capital will be significantly limited.

As a result of its restructuring plan, Wave Wireless' revenue will decrease substantially.

As a result of the restructuring plan, Wave Wireless' revenue has decreased substantially. While management believes that a consequence of the restructuring plan will be to ultimately return Wave Wireless to profitability, no assurances can be given that it will achieve the objectives of the restructuring plan, or that sales of its remaining product lines will sufficiently increase to allow it to achieve positive cash flow from operations. Until sales levels in its remaining product lines sufficiently increase, Wave Wireless' business, financial condition and results of operations will continue to be adversely affected.

Wave Wireless relies on a limited number of customers for a material portion of its sales. The loss of or reduction in sales to any of its customers could harm its business, financial condition and results of operation.

For the year ended December 31, 2005, sales to Wave Wireless' top four customers accounted for 59% of total sales. Wave Wireless expects that a limited number of customers will continue to account for a significant portion of its sales for the foreseeable future. The loss of, or diminution in sales to, any one of these customers would have an immediate and material adverse effect on Wave Wireless' sales. If it is unsuccessful in obtaining significant new customers or if one of its top customers or several small customers cancel or delay their orders for its products, then Wave Wireless' business and prospects could be harmed which may cause the price of its common stock to decline. Wave Wireless' customer concentration also results in concentration of credit risk. As of December 31, 2005, three customers accounted for 74% of Wave Wireless' total accounts receivable balances. If any one of these customers is unable to fulfill its payment obligations to Wave Wireless, its revenue could decline significantly.

As a result of its restructuring plan, Wave Wireless is substantially dependent on its RMA business, and a reduction in sales attributable to its RMA business will materially harm its results of operations.

For the years ended December 31, 2004 and 2005 sales of refurbished licensed products in connection with Wave Wireless' RMA Business was $11.2 million and $6.4 million, or 46% and 54% of total sales, respectively. Total sales of refurbished licensed products in connection with Wave Wireless' RMA Business will decline over time as its customers determine to replace existing radios with new product, rather than send them to Wave Wireless for continued repair and maintenance. In addition, Wave Wireless' customers may elect to source refurbished licensed products from third parties rather than us, as was the case in the quarter ended September 30, 2005, when one of Wave Wireless' customers elected to use a third party other than Wave Wireless for its repair and maintenance needs. No assurances can be given that Wave Wireless will not lose additional customers in the future, or that customers will not elect to purchase new licensed products from third parties rather than send them to Wave Wireless for repair and maintenance. In the event of a further reduction in the sale of refurbished licensed products, Wave Wireless' results of operations will be materially harmed.

Wave Wireless' operating results in the past are not anticipated to reflect its operating results in the future, which make its results of operation difficult to predict.

As a result of restructuring plan, Wave Wireless' future operating results will vary significantly from its past operating results. Factors that will significantly affect Wave Wireless' operating results include the following:

- the divesture of certain licensed product lines, that in the years ended December 31, 2004 and 2005, contributed approximately $8.1 million and $9.1 million in revenue to Wave Wireless, respectively;

- the increased reliance on Wave Wireless' RMA Business, that in the years ended December 31, 2004, and 2005, contributed approximately $11.2 million and $6.4 million in revenue to Wave Wireless, respectively, and the risk that sales attributable to the RMA Business will decline over time; and

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- the increased reliance on the sale of unlicensed radio products, that in the years ended December 31, 2004 and 2005, contributed approximately $5.1 million and $2.7 million in revenue to Wave Wireless, respectively.

Wave Wireless faces substantial competition and may not be able to compete effectively.

Wave Wireless faces intense competition worldwide from a number of leading telecommunications equipment and technology suppliers. These companies offer a variety of competitive products and services. These companies include Alvarion, Nortel, Proxim, Tropos Networks, Motorola, Trango Systems, Belair Networks, Firetide and Tranzeo Wireless Technologies. Many of these companies have greater financial resources and production, marketing, manufacturing, engineering and other capabilities than we have. Wave Wireless faces actual and potential competition not only from these established companies, but also from start-up companies that are developing and marketing new commercial products and services.

The principal elements of competition in Wave Wireless' market and the basis upon which customers may select its systems include price, performance, software functionality, perceived ability to continue to be able to meet delivery requirements, and customer service and support. Recently, certain competitors have announced the introduction of new competitive products, including related software tools and services, and the acquisition of other competitors and competitive technologies. Wave Wireless expects competitors to continue to improve the performance and lower the price of their current products and services and to introduce new products and services or new technologies that provide added functionality and other features. New product and service offerings and enhancements by Wave Wireless' competitors could cause a decline in its sales or loss of market acceptance of Wave Wireless' systems. New offerings could also make Wave Wireless' systems, services or technologies obsolete or non-competitive. In addition, Wave Wireless is experiencing significant price competition and Wave Wireless expects that competition will intensify.

Wave Wireless does not have the customer base or other resources of more established companies, which makes it difficult for Wave Wireless to address the liquidity and other challenges that it faces.

Wave Wireless has not developed a large installed base of its wireless mesh routers or the kind of close relationships with a broad base of customers of a type enjoyed by larger, more developed companies, which would provide a base of financial performance from which to launch strategic initiatives and withstand business reversals. In addition, Wave Wireless has not built up the level of capital often enjoyed by more established companies, so Wave Wireless faces serious challenges in financing Wave Wireless' continued operations. Wave Wireless may not be able to successfully address these risks.

Wave Wireless relies on third party manufacturers and suppliers and any failure of or interruption in the manufacturing, services or products provided by these third parties could harm Wave Wireless' business.

Wave Wireless relies on third-party manufacturers for the manufacturing, repair and maintenance of a substantial portion of its products. Wave Wireless has limited internal manufacturing, repair and maintenance capacity, which may not be sufficient to fulfill customers' requirements. Wave Wireless' contract service providers may not be able to react to Wave Wireless' demands on a timely basis. In addition, certain components and subassemblies necessary for the manufacture of Wave Wireless' systems are obtained from a sole supplier or a limited group of suppliers.

Wave Wireless' reliance on third-party manufacturers, service providers and suppliers involves risks. From time to time, Wave Wireless has experienced an inability to obtain, or to receive in a timely manner, an adequate supply of finished products and required components and subassemblies. This inability has been due to a variety of factors, including, in some cases, Wave Wireless' financial condition. As a result of Wave Wireless' reliance on these third parties, Wave Wireless has reduced control over the price, timely delivery, reliability and quality of finished products, components and subassemblies. Any failure by us, or Wave Wireless' contract manufacturers to repair, maintain, manufacture, assemble and ship systems and meet customer demands on a timely and cost-effective basis could damage relationships with customers and have a material adverse effect on Wave Wireless' business, financial condition and results of operations.

Wave Wireless' business depends on the acceptance of its products and services, and it is uncertain whether the market will accept and demand its products and services at levels necessary for success.

Wave Wireless' future operating results depend upon the continued growth and increased availability and acceptance of its products in the U.S. and internationally. The volume and variety of wireless telecommunications products or the markets for and acceptance of Wave Wireless' products may not continue to grow as expected. The growth of these products may also fail to create anticipated demand for Wave Wireless' products. Predicting which segments of these markets will develop and at what rate these markets will grow is difficult.

Due to its international sales and operations, Wave Wireless is exposed to business, political, regulatory, operational, financial and economic risks, any of which could increase its costs and hinder its growth.

As a result of Wave Wireless' current heavy dependence on international markets, especially in the United Kingdom, the European continent, the Middle East, and Latin America, Wave Wireless faces business, political, regulatory, operational, financial and economic risks that are often more volatile than those commonly experienced in the United States. Approximately 92% and 89% of Wave Wireless' sales in the year ended December 31, 2003 and December 31, 2004, respectively, were made to customers located outside of the United States. Due to political and economic instability in new markets, economic, political and foreign currency fluctuations may be even more volatile than conditions in developed countries. Countries in the Asia/Pacific, African, and Latin American regions have in recent years experienced weaknesses in their currency, banking and equity markets. These weaknesses have adversely affected and could continue to adversely affect demand for Wave Wireless' products.

Wave Wireless faces risks associated with currency exchange rate fluctuations.

Approximately 89% and 90% of Wave Wireless' sales in the years ended December 31, 2004 and 2005 were made to customers located outside of the United States and a larger portion of Wave Wireless' revenues is denominated in foreign currencies. Historically, Wave Wireless' international sales have been denominated in British pounds sterling, Euros or United States dollars. Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates that could have a negative impact on Wave Wireless' reported operating results. Fluctuations in the value of the U.S. dollar relative to other currencies impact its revenues, cost of revenues and operating margins and result in foreign currency translation gains and losses. For example, a decrease in the value of British pounds or Euros relative to United States dollars, if not hedged, will result in an exchange loss for Wave Wireless if it has Euro or British pounds sterling denominated sales. Conversely, an increase in the value of Euro and British pounds sterling will result in increased margins for us on Euro or British pounds sterling denominated sales as Wave Wireless' functional currency is in United States dollars. For international sales that Wave Wireless would require to be United States dollar-denominated, such a decrease in the value of foreign currencies could make Wave Wireless' systems less price-competitive if competitors choose to price in other currencies and could adversely affect its financial condition. Historically, Wave Wireless has not engaged in exchange rate-hedging activities. Although Wave Wireless may implement hedging strategies to mitigate this risk, these strategies may not eliminate Wave Wireless' exposure to foreign exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategy and potential accounting implications.

Governmental regulations affecting markets in which Wave Wireless competes could adversely affect its business and results of operations.

Radio communications are extensively regulated by the United States and foreign governments as well as by international treaties. Wave Wireless systems must conform to a variety of domestic and international requirements established to, among other things, avoid interference among users of radio frequencies and to permit interconnection of equipment. Historically, in many developed countries, the limited availability of radio frequency spectrum has inhibited the growth of wireless telecommunications networks. Each country's regulatory process differs. To operate in a jurisdiction, Wave Wireless must obtain regulatory approval for its systems and comply with differing regulations.

Regulatory bodies worldwide continue to adopt new standards for wireless telecommunications products. The delays inherent in this governmental approval process may cause the cancellation, postponement or rescheduling of the installment of communications systems by Wave Wireless customers and Wave Wireless. The failure to comply with current or future regulations or changes in the interpretation of existing regulations could result in the suspension or cessation of operations. Those regulations or changes in interpretation could require Wave Wireless to modify its products and services and incur substantial costs in order to comply with the regulations and changes.

In addition, Wave Wireless is also affected by domestic and international authorities' regulation of the allocation and auction of the radio frequency spectra. Equipment to support new systems and services can be marketed only if permitted by governmental regulations and if suitable frequency allocations are auctioned to service providers. Establishing new regulations and obtaining frequency allocation at auction is a complex and lengthy process. If PCS operators and others are delayed in deploying new systems and services, Wave Wireless could experience delays in orders. Similarly, failure by regulatory authorities to allocate suitable frequency spectrum could have a material adverse effect on Wave Wireless results. In addition, delays in the radio frequency spectra auction process in the United States could delay Wave Wireless' ability to develop and market equipment to support new services. Wave Wireless operates in a regulatory environment subject to significant change. Regulatory changes, which are affected by political, economic and technical factors, could significantly impact Wave Wireless operations by restricting its development efforts and those of its customers, making current systems obsolete or increasing competition. Any such regulatory changes, including changes in the allocation of available spectra, could have a material adverse effect on Wave Wireless' business, financial condition and results of operations. Wave Wireless may also find it necessary or advisable to modify its systems and services to operate in compliance with these regulations. These modifications could be expensive and time-consuming.

Third parties may sue Wave Wireless for intellectual property infringement that, if successful, could require us to pay significant damage awards or licensing fees.

Wave Wireless cannot be certain that it does not and will not infringe the intellectual property rights of others. Wave Wireless may be subject to legal proceedings and claims in the ordinary course of Wave Wireless' business and third parties may sue it for intellectual property infringement or initiate proceedings to invalidate its intellectual property. Any intellectual property claims, whether or not meritorious, could result in costly litigation and could divert management resources and attention. Moreover, should Wave Wireless be found liable for infringement, it may be required to enter into licensing agreements (if available on acceptable terms or at all), pay damages or limit or curtail Wave Wireless' product or service offerings. Moreover, Wave Wireless may need to redesign some of its products to avoid future infringement liability. Any of the foregoing could prevent Wave Wireless from competing effectively and harm its business and results of operations.

If Wave Wireless fails to keep pace with rapidly changing technologies, it could lose customers and its sales may decline.

The telecommunications equipment industry is characterized by rapidly changing technologies, evolving industry standards, frequent new product and service introductions and changing customer demands. The introduction of new products and services embodying new technologies, such as Wi-MAX, and the emergence of new industry standards and practices can render Wave Wireless' existing products and services obsolete and unmarketable. Wave Wireless' future success will depend on its ability to internally develop, source or license leading technologies to enhance Wave Wireless' existing products and services, to develop new products and services that address the changing demands of its customers, and to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Because of Wave Wireless' current financial condition, Wave Wireless may experience difficulties that could delay or prevent the successful design, development, introduction or marketing of new products and services. Any new products, services or enhancement that Wave Wireless develops will need to meet the requirements of its current and prospective customers and may not achieve significant market acceptance.

Risks Related to WaveRider

Risks Related to WaveRider's Financial Condition

WaveRider has a history of losses, and its future profitability is uncertain.

WaveRider has experienced significant operating losses every year since incorporation. WaveRider incurred a net loss of $1,639,060 for the year ended December 31, 2004 (2003 - $1,586,306) and reported an accumulated deficit at that date of $86,426,358 (2003 - $84,787,298). WaveRider expects to continue to incur losses for 2005 in part due to the ongoing non-cash financing expenses that WaveRider will incur over the coming year.

There can be no assurance that WaveRider will ever generate an overall profit from its products or that it will ever reach profitability on a sustained basis.

WaveRider has a going concern qualification in the report issued by its independent registered public accounting firm, which may make capital raising more difficult and may require it to scale back, cease operations or seek protection under the bankruptcy laws, putting investors' funds at risk.

Its independent registered public accounting firm has added an explanatory paragraph to their audit report issued in connection with the financial statements for the period ended December 31, 2004, relative to its ability to continue as a going concern. WaveRider has experienced significant operating losses every year since incorporation and have an accumulated deficit of approximately $86,426,358, which raises substantial doubt about its ability to continue as a going concern. Its ability to obtain additional funding will determine its ability to continue as a going concern. Accordingly, there is substantial doubt about its ability to continue as a going concern. There can be no assurance that WaveRider will able to obtain funding from external sources when needed. If WaveRider continues to experience operating losses, WaveRider may be required to scale back, cease operations or seek protection under the bankruptcy laws; in which event WaveRider believes it is unlikely that its common stock will have any value.

Risks Related to Investing in WaveRider

WaveRider may suffer dilution if it issues substantial shares of its common stock:

- upon conversion of convertible debentures; and
- upon exercise of the outstanding warrants and options.

WaveRider is obligated to issue a substantial number of shares of common stock upon the conversion of its convertible debentures and exercise of its outstanding warrants and options. The price that WaveRider may receive for the shares of common stock issuable upon conversion or exercise of such securities may be less than the market price of the common stock at the time of such conversions or exercise. Should a significant number of these securities be exercised or converted, the resulting increase in the amount of the common stock in the public market could have a substantial dilutive effect on its outstanding common stock.

The conversion and exercise of all of the aforementioned securities or the issuance of new shares of common stock may also adversely affect the terms under which WaveRider could obtain additional equity capital.

WaveRider has limited intellectual property protection, and there is risk that its competitors will be able to appropriate its technology.

WaveRider's ability to compete depends to a significant extent on its ability to protect its intellectual property and to operate without infringing the intellectual property rights of others. WaveRider regards its technology as proprietary. WaveRider has only one issued patent, and does not WaveRider have any registered copyrights, with respect to its intellectual property rights. WaveRider relies on employee and third party non-disclosure agreements and on the legal principles restricting the unauthorized disclosure and use of trade secrets. Despite its precautions, it might be possible for a third party to copy or otherwise obtain its technology, and use it without authorization. Although WaveRider intends to defend its intellectual property, WaveRider cannot assure you that the steps WaveRider has taken or that

WaveRider may take in the future will be sufficient to prevent misappropriation or unauthorized use of its technology. In addition, there can be no assurance that foreign intellectual property laws will protect its intellectual property rights. There is no assurance that patent applications or copyright registrations that have been or may be filed will be granted, or that any issued patent or copyrights will not be challenged, invalidated or circumvented. There is no assurance that the rights granted under patents that may be issued or copyrights that may be registered will provide sufficient protection to its intellectual property rights. Moreover, WaveRider cannot assure you that its competitors will not independently develop technologies similar, or even superior, to its technology.

Use of WaveRider's products is subordinated to other uses, and there is risk that its customers may have to limit or discontinue the use of its products.

License-free operation of WaveRider's products in certain radio frequency bands is subordinated to certain licensed and unlicensed uses of these bands. This subordination means that its products must not cause harmful interference to other equipment operating in the band, and must accept potential interference from any of such other equipment. If its equipment is unable to operate without any such harmful interference, or is unable to accept interference caused by others, its customers could be required to cease operations in some or all of these bands in the locations affected by the harmful interference. As well, in the event these bands become unacceptably crowded, and no additional frequencies are allocated to unlicensed use, its business could be adversely affected.

Currently, WaveRider's products are designed to operate in frequency bands for which licenses are not required in the United States, Canada and other countries that WaveRider view as its potential market. Extensive regulation of the data communications industry by U.S. or foreign governments and, in particular, the imposition of license requirements in the frequency bands of its products could materially and adversely affect us through the effect on its customers and potential customers. Continued license-free operation will depend upon the continuation of existing U.S., Canadian and such other countries' government policies and, while no planned policy changes have been announced or are expected, this cannot be assured.

WaveRider may be subject to product liability claims and WaveRider lacks product liability insurance.

WaveRider faces an inherent risk of exposure to product liability claims in the event that the products designed and sold by it contain errors, "bugs" or defects. There can be no assurance that WaveRider will avoid significant product liability exposure. WaveRider does not currently have product liability insurance and there can be no assurance that insurance coverage will be available in the future on commercially reasonable terms, or at all. Further, there can be no assurance that such insurance, if obtained, would be adequate to cover potential product liability claims, or that a loss of insurance coverage or the assertion of a product liability claim or claims would not materially adversely affect its business, financial condition and results of operations.

WaveRider depends upon third party manufacturers and there is risk that, if these suppliers become unavailable for any reason, WaveRider may for an unknown period of time have no product to sell.

WaveRider depends upon a limited number of third party manufacturers to make its products. If its suppliers are not able to manufacture for it for any reason, WaveRider would, for an unknown period of time, have difficulty finding alternate sources of supply. Inability to obtain manufacturing capacity would have a material adverse effect on its business, financial condition and results of operations.

Risks Related to the Data Communications Industry

Competition in the data communication industry is intense, and there is uncertainty that, given its new technology and limited resources, WaveRider will be able to succeed.

Although its products are based on a wireless technology, WaveRider competes not only against companies that base their products on wireless technology, but also against companies that base their products on hard-wired technology (wire or fiber optic cable). There can be no assurance that WaveRider will be able to compete successfully in the future against existing or new competitors or that its operating results will not be adversely affected by increased price competition. Competition is based on the design and quality of the products, product performance, price and service, with the relative importance of such factors varying among products and markets. Competition in the various markets WaveRider serves comes from companies of various sizes many of which are larger and have greater financial and other resources than WaveRider does and, thus, can withstand adverse economic or market conditions better than

WaveRider can.

WaveRider's future operating results are subject to a number of risks, including its ability or inability to implement its strategic plan, to attract qualified personnel and to raise sufficient financing as required. Inability of its management to guide growth effectively, including implementing appropriate systems, procedures and controls, could have a material adverse effect on its business, financial condition and operating results.

The data communication industry is in a state of rapid technological change, and WaveRider may not be able to keep up.

WaveRider may be unable to keep up with technological advances in the data communications industry. As a result, its products may become obsolete or unattractive. The data communications industry is characterized by rapid technological change. In addition to frequent improvements of existing technology, there is frequent introduction of new technologies leading to more complex and powerful products. Keeping up with these changes requires significant management, technological and financial resources. As a small company, WaveRider does not have the management, technological and financial resources that larger companies in its industry may have. There can be no assurance that WaveRider will be able to, or successful in enhancing its existing products, or in developing, manufacturing and marketing new products. An inability to do so would adversely affect its business, financial condition and results of operations.

Risks Related to Investing in Low-Priced and Illiquid Securities

WaveRider's common stock is subject to the penny stock rules which means its market liquidity could be adversely affected.

The SEC's regulations define a "penny stock" to be an equity security that has a market price less than $5.00 per share, subject to certain exceptions. These rules impose additional sales practice requirements on broker dealers that sell low-priced securities to persons other than established customers and institutional accredited investors; and require the delivery of a disclosure schedule explaining the nature and risks of the penny stock market. As a result, the ability or willingness of broker-dealers to sell or make a market in its common stock might decline.

Specifically, the penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the Commission, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of Securities' laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type, size and format, as the SEC may require by rule or regulation.

In addition, the broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) monthly account statements showing the market value of each penny stock held in the customer's account.

Finally, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

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These requirements may reduce the potential market for its common stock by reducing the number of potential investors, brokers and traders. This may make it more difficult for investors in its common stock to sell shares to third parties or to otherwise dispose of them. This could cause its stock price to decline. WaveRider cannot predict the extent to which investor interest in its common stock, if any, will lead to an increase in its market price or the development of an active trading market or how liquid that market, if any, might become.

The market price of WaveRider's common stock may be volatile. As a result, you may not be able to sell its common stock in short periods or time or possibly at all.

WaveRider's stock price has been volatile. During fiscal 2005, the trading price of its common stock ranged from a low price of $0.01 per share to a high price of $0.29 per share. Many factors may cause the market price of its common stock to fluctuate, including:

- variations in its quarterly results of operations;
- the introduction of new products by us or its competitors;
- acquisitions or strategic alliances involving us or its competitors;
- future sales of shares of common stock in the public market; and
- market conditions in its industries and the economy as a whole.

In addition, the stock market has recently experienced extreme price and volume fluctuations. These fluctuations are often unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of its common stock. When the market price of a company's stock drops significantly, stockholders often institute securities class action litigation against that company. Any litigation against us could cause us to incur substantial costs, divert the time and attention of its management and other resources or otherwise harm its business.

No dividends anticipated.

WaveRider intends to retain any future earnings to fund the operation and expansion of its business. WaveRider does not anticipate paying cash dividends on its shares in the foreseeable future.

THE SPECIAL MEETING OF WAVERIDER STOCKHOLDERS

WaveRider is furnishing this proxy statement/prospectus to WaveRider stockholders to provide them with important information regarding the proposed merger and the merger agreement in connection with the solicitation of proxies by and on behalf of WaveRider's board of directors for use at the WaveRider special meeting and at any adjournment or postponement thereof. The WaveRider proxy accompanying this proxy statement/prospectus is solicited on behalf of WaveRider's board of directors for use at the WaveRider special meeting. This proxy statement/prospectus and the accompanying form of proxy were first mailed to WaveRider's stockholders on or about February 14, 2006.

Date, Time and Place of the Special Meeting

WaveRider will hold a special meeting of its stockholders on March 20, 2006, promptly at 2:00 p.m., local time, at its headquarters located at 255 Consumers Road, Suite 500, Toronto, Ontario M2J 1R4.

Matters for Consideration

At the special meeting, WaveRider stockholders will be asked to consider and vote on and approve the following proposals:

1. To adopt the merger agreement and approve the merger.

2. To approve any motion for adjournment or postponement of the WaveRider special meeting to another time or place to permit, among other things, further solicitation of proxies if necessary to establish a quorum or to obtain additional votes in favor of Proposal 1.

Recommendation of the WaveRider Board of Directors

After careful consideration, the WaveRider board of directors determined that the merger agreement and the merger are advisable and in the best interests of WaveRider stockholders and has unanimously approved the merger agreement and the merger. The WaveRider board of directors unanimously recommends that the WaveRider stockholders vote "**FOR**" the proposal to adopt the merger agreement and approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

Admission to the Special Meeting

Only WaveRider stockholders as of the close of business on February 8, 2006 and other persons holding valid proxies for the special meeting are entitled to attend the WaveRider special meeting. WaveRider stockholders and their proxies should be prepared to present valid government-issued photo identification. WaveRider stockholders who are not record holders but who hold shares in street name should provide proof of beneficial ownership on the record date of the WaveRider special meeting, such as their most recent account statement prior to February 8, 2006, or other similar evidence of ownership. Anyone who does not provide valid government-issued photo identification or comply with the other procedures outlined above upon request may not be admitted to the special meeting.

Record Date; Shares Held by WaveRider's Directors and Executive Officers

The record date for determining the WaveRider stockholders entitled to vote at the WaveRider special meeting is February 8, 2006. Only holders of WaveRider common stock as of the close of business on the record date are entitled to vote at the WaveRider special meeting. As of that date, there were approximately 33,765,854 shares of WaveRider common stock issued and outstanding. Each share of WaveRider common stock issued and outstanding as of the WaveRider record date entitles its holder to cast one vote at the WaveRider special meeting.

As of the record date, the directors and executive officers of WaveRider and their affiliates beneficially owned approximately 1,441,207 shares of WaveRider common stock, or approximately 3.3% of the total outstanding shares of WaveRider common stock, excluding shares issuable upon the exercise of stock options.

Interests of WaveRider Directors and Executive Officers in the Merger

All of the directors and executive officers of WaveRider have interests and arrangements that could affect their decision to approve and adopt the merger agreement and approve the merger. Please refer to the section of this proxy statement/prospectus entitled "The Merger—Interests of WaveRider Directors and Executive Officers in the Merger" beginning on page 39.

Quorum and Vote Required

In order to conduct business at the WaveRider special meeting, a quorum must be present. The holders of a majority of the shares of WaveRider voting stock outstanding on the record date for the WaveRider special meeting present in person or represented by proxy at the WaveRider special meeting and entitled to vote at the WaveRider special meeting constitutes a quorum under WaveRider's bylaws. WaveRider will treat shares of WaveRider common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the

WaveRider special meeting for purposes of determining the existence of a quorum. If sufficient votes to constitute a quorum or to approve and adopt the merger agreement and approve the merger are not received by the date of the special meeting, the persons named as proxies may propose one or more adjournments of the meeting to permit further solicitation of proxies.

The affirmative vote of a majority of the shares of WaveRider voting stock outstanding on the WaveRider record date in favor of the proposal to approve and adopt the merger agreement and approve the merger is required in order for the merger proposal to pass. The affirmative vote of the holders of a majority of the shares of WaveRider voting stock present in person or represented by proxy and entitled to vote thereon is necessary for the proposal to permit adjournment or postponement of the WaveRider special meeting to pass. The inspector of elections appointed for the WaveRider special meeting will tabulate the votes.

Crescent International Ltd. and Wave Wireless presently hold 350 shares and 450 shares, respectively, of WaveRider's Series D Convertible Preferred Stock. Each share of Series D Convertible Preferred Stock is convertible into 20,000 shares of WaveRider's common stock, and the holders of Series D Convertible Preferred Stock are entitled to vote on an as-converted basis together with the holders of WaveRider's common stock, as a single class, on the proposal to approve and adopt the merger agreement and to approve the merger. Crescent International Ltd. has agreed to vote all of its shares in favor of approving and adopting the merger agreement and approving the merger. Wave Wireless has not entered into any agreement regarding the voting of its shares of Series D Convertible Preferred Stock, but intends to vote its shares in favor of approving and adopting the merger agreement and approving the merger.

Voting of Proxies

Shares represented by a properly signed and dated proxy will be voted at the WaveRider special meeting in accordance with the instructions indicated on the proxy. Proxies that are properly signed and dated but which do not contain voting instructions will be voted "**FOR**" the proposal to approve and adopt the merger agreement and approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

Abstentions

WaveRider will count a properly executed proxy marked "ABSTAIN" as present for purposes of determining whether a quorum is present, but the shares represented by that proxy will not be voted at the WaveRider special meeting. Because the affirmative vote of a majority of the outstanding shares of WaveRider voting stock is required to approve and adopt the merger agreement and approve the merger, if you mark your proxy "ABSTAIN," it will have the effect of a vote against the proposal to approve and adopt the merger agreement and approve the merger. In addition, if you mark your proxy "ABSTAIN" with respect to the proposal to permit adjournment or postponement of the WaveRider special meeting, it will also have the effect of a vote against that proposal.

Broker Non-Votes

If your shares of WaveRider common stock are held in street name, your broker will vote your shares for you only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your broker cannot vote your shares of WaveRider common stock without specific instructions from you. Because the affirmative vote of a majority of the outstanding shares of WaveRider voting stock is required to approve and adopt the merger agreement and approve the merger, if you do not instruct your broker how to vote, it will have the effect of a vote against the proposal to approve and adopt the merger agreement and approve the merger. Failure to instruct your broker to vote your shares will have no effect on the proposal to permit adjournment or postponement of the WaveRider special meeting.

Voting Shares in Person that are Held in Street Name

If your shares are held in street name and you wish to vote those shares in person at the WaveRider special meeting, you must obtain from your broker a properly executed legal proxy identifying you as a WaveRider stockholder, authorizing you to act on behalf of the nominee at the WaveRider special meeting and identifying the number of shares with respect to which the authorization is granted.

Voting Procedures

You may vote by mail by completing and signing your proxy card and mailing it in the enclosed prepaid and addressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

If you properly sign and return your proxy card, but do not mark your voting instructions on the proxy card, you shares will be voted "**FOR**" the proposal to approve and adopt the merger agreement and approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

You may vote by telephone by following the “Vote by Telephone” instructions that came with this proxy statement/prospectus. If you vote by telephone, you do not need to mail in your proxy card.

You may vote on the Internet by following the “Vote by Internet” instructions that came with this proxy statement/prospectus. If you vote on the Internet, you do not need to mail in your proxy card.

You may also vote in person at the special meeting. WaveRider will pass out written ballots to anyone who would like to vote at the WaveRider special meeting. However, if you hold your shares of WaveRider common stock in street name, you must request a proxy from your stockbroker in order to vote at the meeting.

How to Revoke a Proxy

If you submit a proxy, you may revoke it at any time before it is voted by:

- sending a written, dated notice to the Secretary of WaveRider at WaveRider’s principal executive offices stating that you would like to revoke your proxy;
- voting at a later date by telephone or by using the Internet;
- completing, dating and submitting a new later-dated proxy card; or
- attending the special meeting and voting in person. Your attendance alone will not revoke your proxy.

Notices to WaveRider’s corporate secretary should be addressed to Corporate Secretary, WaveRider Communications Inc., 255 Consumers Road, Suite 500, Toronto, Ontario M2J 1R4.

If you hold your shares in street name, you must give new instructions to your broker prior to the special meeting or obtain a signed “legal proxy” from the broker to revoke your prior instructions and vote in person at the meeting.

Contact for Questions and Assistance in Voting

Any WaveRider stockholder who has a question about the merger, the merger agreement, or how to vote or revoke a proxy, or who wishes to obtain additional copies of this joint proxy/registration statement, should contact:

Investor Relations
WaveRider Communications Inc.
255 Consumers Road, Suite 500
Toronto, Ontario M2J 1R4
Phone: (416) 502-3200
Email: investors@WaveRider.com

Solicitation of Proxies and Expenses

WaveRider will pay its own costs of soliciting proxies for the WaveRider special meeting. Certain directors, officers and employees of WaveRider may solicit proxies, without additional remuneration, by telephone, facsimile, electronic mail, telegraph and in person. WaveRider expects that the expenses of this special solicitation will be nominal. Following the mailing of this proxy statement/prospectus, WaveRider will request brokers, custodians, nominees and other record holders to forward copies of this proxy statement/prospectus to persons for whom they hold shares of WaveRider common stock and to request authority for the exercise of proxies. In such cases, WaveRider, upon the request of the record holder, will reimburse such holder for their reasonable expenses.

THE MERGER

The following is a description of the material aspects of the merger. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire proxy statement/prospectus, including the merger agreement attached to this proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

Background of the Merger

In light of the current industry and financial market conditions, both Wave Wireless and WaveRider have evaluated a wide variety of different strategies to achieve profitability, and business scenarios to improve their competitive positions and enhance their respective stockholder values, including opportunities for acquisitions of other companies or product lines, possible partnerships or alliances, and other strategic transactions. In particular, Wave Wireless throughout much of 2004 and 2005, together with its financial advisor, Burnham Hill Partners ("BHP"), considered and investigated a variety of possible strategic transactions. Following its restructuring announced in April 2005, this effort intensified, given Wave Wireless management's desire to offset the decline in Wave Wireless' revenue caused by the discontinuance of certain product lines. Similarly, throughout 2004 and 2005, WaveRider explored various strategic transactions designed to improve WaveRider's financial position.

On August 26, 2005, Michael Abrams, a Senior Vice President of BHP, contacted management of WaveRider to determine whether WaveRider would be interested in exploring a strategic transaction with Wave Wireless. After expressing an interest, Wave Wireless and WaveRider signed a mutual non-disclosure agreement relating to the possible combination of the two companies, dated August 26, 2005.

On August 31, 2005, Wave Wireless held a special meeting of its board of directors to discuss, among other issues, possible strategic transactions. At that meeting, Daniel W. Rumsey, the Acting Chief Executive Officer of Wave Wireless, briefed the board of directors regarding discussions with WaveRider, including possible synergies. At that meeting, the board of directors expressed its support to continue discussions with management of WaveRider.

On September 6 and 7, 2005, Mr. Rumsey and Mr. Abrams met with Charles Brown and Scott Worthington, the Chief Executive Officer and Chief Financial Officer, respectively, of WaveRider, at WaveRider's offices in Toronto, Canada. At that meeting, the attendees discussed a proposed structure whereby WaveRider would merge with and into a subsidiary of Wave Wireless, as well as other issues relating to product synergies and management. No definitive agreement was reached at that point. Prior to that meeting, management of Wave Wireless engaged in several telephone conversations with Messrs. Brown and Worthington, the purpose of which was to explore whether a combination of WaveRider and Wave Wireless was in the best interest of their respective stockholders, given each company's product portfolio and financial condition, among other issues. During this time, Wave Wireless' management reviewed WaveRider's public filings and other information made available to Wave Wireless to assist in its determination that a combination with WaveRider was consistent with Wave Wireless' strategy of acquiring or merging with similar companies offering complementary products in the wireless communications industry. Similarly, WaveRider's management determined that combining with Wave Wireless represented the most desirable course of action given the difficult industry and market conditions, as well as the synergies represented by the combined companies.

On September 13, 2005, the board of directors of WaveRider held a special meeting to consider a possible transaction. At that meeting, the board of directors expressed its support for ongoing dialog between the management of both companies.

Discussions between BHP, Wave Wireless and WaveRider continued through September 2005. During this time, management exchanged additional information and held several additional telephone meetings to discuss the potential combination. On September 26 and 27, 2005, Mr. Worthington visited Wave Wireless' offices in San Jose, the purpose of which was to better understand the company that would result from the combination of WaveRider and Wave Wireless, and to exchange information necessary to evaluate their respective businesses. Numerous issues were discussed relating to the combination of the two companies, including capabilities, synergies, organization and pro-forma financial projections.

On September 28, 2005, Wave Wireless held a special meeting of its board of directors. At that meeting, Mr. Rumsey presented an overview of the benefits of a proposed combination, and reviewed the proposed terms of a transaction, including the likely conditions to consummating a transaction. At this meeting, the directors again expressed its support for the proposed combination, subject to approval of definitive terms, and the satisfactory completion of due diligence.

On September 29 and 30, 2005, Mr. Rumsey again visited WaveRider's offices in Toronto, the primary purpose of which was to, among other things, conduct due diligence relating to WaveRider, and to review WaveRider's operations. Similarly, on October 11 and 12, 2005, Mr. Brown visited Wave Wireless' offices in San Jose, California.

On October 12, 2005, Wave Wireless held a special meeting of its board of directors. At that meeting, Mr. Rumsey reviewed his findings relating to WaveRider's operations, and presented an overview of the combined company's business, including product descriptions, and possible future plans. Management also discussed the potential synergies that could arise from a combination of the two companies, as well as the proposed terms of a merger. Mr. Rumsey also recommended that the board approve a proposed term sheet and letter of intent providing for a merger of the two companies. The board unanimously approved the term sheet, and authorized Mr. Rumsey to execute the letter of intent on substantially the terms presented.

On October 18, 2005, Wave Wireless proposed a draft term sheet to WaveRider on substantially the terms approved by Wave Wireless' board of directors. After discussion, the parties determined to put off the execution of a letter of intent pending completion of additional due diligence, and resolution of certain issues pertaining to financing, valuation, deal structure and integration.

On November 10, 2005, WaveRider held a special meeting of its board of directors. At that meeting, the board approved the concept of the merger and authorized management to sign a letter of intent substantially in the form presented to the board.

On November 15, 2005, WaveRider's board met, reiterated their support of the potential merger and authorized the issuance of a press release announcing the signing of the letter of intent. On November 16, 2005, the parties executed the letter of intent. The next day, the parties issued a joint press release announcing their intent to merge.

On November 21 and 22, WaveRider held a special meeting of its board of directors in Tampa, Florida, the primary purpose of which was to discuss the issues surrounding the development of the definitive agreement between WaveRider and Wave Wireless, that was previously circulated for review. At the invitation of the board of directors, Messrs. Rumsey and Abrams attended different portions of the meeting.

On November 29 through December 2, 2005, Mr. Brown visited Wave Wireless in San Jose to evaluate the capabilities of both engineering and operations, and staffing issues, and to conduct further due diligence. During this visit, Mr. Brown and Mr. Rumsey discussed and negotiated certain terms of the draft merger agreement, which reflected comments previously provided by each company's advisors.

A final briefing of the board of directors of Wave Wireless occurred at a special meeting of the board held on December 6, 2005. All members of the board, with the exception of Craig Roos, who was unavailable, attended the meeting. At that meeting, Mr. Rumsey briefed the board of directors of Wave Wireless regarding the final results of his due diligence, and recommended that the board of directors approve the draft merger agreement presented at the meeting. After considering issues relating to financing, board composition, the relative ownership of the surviving corporation, and the benefit to stockholders, the board of directors voted unanimously to approve the draft merger agreement in substantially the form presented to the board. The board of directors then directed Mr. Rumsey to complete the negotiations with management of WaveRider, and to execute the draft merger agreement, with such changes as deemed necessary and advisable by management.

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On December 9, 2005, WaveRider held a special meeting of its board of directors. At that meeting, the board approved the merger and authorized management to sign a definitive agreement to merge on substantially the terms presented at the meeting.

On December 12 and 13, Mr. Brown visited Wave Wireless' offices in Sarasota, Florida to meet with Wave Wireless' sales staff, and to conduct a review of Wave Wireless' sales and sales support operations. Mr. Brown's findings were presented to WaveRider's board of directors at a special meeting of the board held on December 15, 2005. At that meeting, the board of directors approved the appointment of Mr. Michael Chevalier, Mr. Michael Milligan and Mr. Bruce Sinclair as WaveRider's representatives on the board of the merged company, upon closing.

Between December 13, 2005 and the end of the year, management of Wave Wireless and WaveRider negotiated with certain of their major creditors in order to obtain preliminary agreements to convert their debt into equity securities, to ensure that one of the conditions to closing of the merger would be satisfied.

On January 3, 2006, the Agreement and Plan of Merger and related documents were executed and delivered. The next day, WaveRider and Wave Wireless issued a joint public announcement of the merger.

WaveRider's Reasons for the Merger

WaveRider's board of directors believes that the combination of Wave Wireless and WaveRider will create a stronger company. WaveRider's board of directors also believes that combining the complementary products, services, research and development efforts, direct sales, marketing and distribution channels of Wave Wireless and WaveRider will enable the combined company to reach more customers and compete more effectively against larger competitors.

In reaching its conclusion that the combination of Wave Wireless and WaveRider, and the terms of the merger agreement, are advisable, fair to, and in the best interests of, WaveRider and its stockholders, the board of directors of WaveRider consulted with WaveRider's management team regarding the strategic and operational aspects of the merger and the results of the strategic, business and operational due diligence efforts undertaken by management. The WaveRider board of directors also consulted with representatives of Foley Hoag LLP regarding the fiduciary duties of the members of the WaveRider board of directors, legal due diligence matters and the terms of the merger agreement and related agreements. The WaveRider board of directors considered many factors which, when taken as a whole, supported its decision, including the following business considerations:

- the complementary nature of the existing technologies and products of Wave Wireless and WaveRider, and the combining of Wave Wireless SPEEDLAN family of 2.4GHz, 4.9GHz and 5.8GHz mesh networking products and WaveRider's Last Mile Solution® non-line-of-sight, fixed and mobile wireless 900MHz products;

- the prospect for an improved competitive position for the combined company which could offer a broad set of products and solutions that provide robust, wireless broadband applications and solutions; and

- the combined financial strength and resources of the two companies may enhance the ability of the combined company to respond more quickly and effectively to increased competition and customer demands.

The WaveRider board of directors also considered a number of additional factors relevant to the merger, including the following:

- historical information concerning WaveRider's and Wave Wireless' respective businesses, financial performances and financial conditions, operations, technology, management and competitive positions;

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- the financial condition, results of operations, business and strategic objectives of WaveRider and Wave Wireless before and after giving effect to the merger and the merger's potential effect on stockholder value;

- the potential effect on stockholder value of WaveRider continuing as an independent entity as compared to the potential effect of a combination with Wave Wireless;

- the likely effect of dilution on WaveRider's stockholders which will result if WaveRider seeks to raise further equity capital topurchase the WaveRider convertible notes or if WaveRider enters into an exchange offer with the holders of the WaveRider convertible notes which would result in a reduction of the conversion price of such notes;

- current financial market conditions and historical market prices, volatility and trading information with respect to WaveRider and Wave Wireless common stock;

- that based on the anticipated exchange ratio (which is subject to adjustment) and the closing prices of Wave Wireless and WaveRider common stock, the merger consideration represents a premium to share prices, including an approximate 182% premium compared to the November 16, 2005 closing price, an approximate 339% premium implied by the 30 day average of the closing price of Wave Wireless and WaveRider for the period ending November 16, 2005 and other increased premiums implied by longer periods;

- that WaveRider will continue to participate in the strategic direction of the combined company through participation on Wave Wireless' board of directors; and

- the operating challenges, opportunities and prospects of WaveRider as an independent company, including increased competition, the remaining life cycle of WaveRider's current products and the level of research and development spending necessary to develop new products that will be competitive with products offered by competitors with greater financial resources.

The WaveRider board of directors considered the structure of the merger and the terms of the merger agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations to complete the transaction, and considered, among others, the following factors:

- shares of Wave Wireless common stock issued to WaveRider stockholders will be registered on a Form S-4 registration statement and will be freely tradable for all but affiliates of WaveRider;

- the terms of the merger agreement, including the conditions to closing, and Wave Wireless' right to terminate the merger agreement;

- WaveRider's rights under the merger agreement to consider unsolicited acquisition proposals and to change its recommendation to WaveRider stockholders to adopt the merger agreement and approve the merger should WaveRider receive a superior proposal, and the limited number of WaveRider shares of common stock that would be covered by voting agreements and proxies; and

- the fact that, under the merger agreement, each stock option outstanding under WaveRider's stock option plans and each outstanding warrant will be assumed by Wave Wireless.

The WaveRider board of directors also identified and considered a number of uncertainties, risks and potentially negative factors in its deliberations concerning the merger, including:

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the merger is expected to be a “reorganization” for United States federal income tax purposes, and as a result stockholders will not recognize gain or loss on the exchange of WaveRider common shares in the merger for shares of Wave Wireless common stock, except to the extent of the cash, if any, received in lieu of a fractional share of common stock of the combined company. Inconsistencies under existing law and uncertainties raised by proposed Treasury Regulations, however, create the possibility that the merger will not be treated as a “reorganization” for United States federal income tax purposes, with the result that stockholders will recognize gain or loss in the merger;

- the volatility of the trading prices of Wave Wireless common stock, including the fact that the exchange ratio for the share consideration to be received by WaveRider stockholders will not increase in the event of a decline in the trading price of Wave Wireless common stock or an increase in the trading price of WaveRider common stock;
- the risk that the potential benefits of the merger might not be realized;
- the possibility that the merger might not be consummated, even if approved by WaveRider's stockholders, and the effect of the public announcement and dependency of the merger on WaveRider's and Wave Wireless' sales, operating results, stock price, customers, supplies, employees, partners and other constituencies;
- the risks of integrating the business of WaveRider and Wave Wireless and the potential management, customer, supplier, partner and employee disruption that may be associated with the merger;
- a termination fee of up to $300,000 payable to Wave Wireless or WaveRider upon the occurrence of certain events, and the potential effect of such factors in deterring other potential acquirors from proposing an alternative transaction that may be more advantageous to Wave Wireless' or WaveRider's stockholders;
- the interests that WaveRider's executive officers and directors may have with respect to the merger in addition to their interests as WaveRider stockholders. See "—Interests of WaveRider Directors and Executive Officers in the Merger" beginning on page 31 of this proxy statement/prospectus for a more complete discussion of these interests; and
- various other applicable risks associated with the combined company and the merger, including those described under the section entitled "Risk Factors" beginning on page 17 of this proxy statement/prospectus.

After due consideration, the WaveRider board of directors concluded that overall, the risks, uncertainties, restrictions and potentially negative factors associated with the merger were outweighed by the potential benefits of the transaction, and that many of these risks could be managed or mitigated by WaveRider or by the combined company or were unlikely to have a material adverse impact on the merger or the combined company.

The foregoing information and factors considered by the WaveRider board of directors are not intended to be exhaustive but are believed to include all of the material factors considered by the WaveRider board of directors. In view of the variety of factors and the amount of information considered, WaveRider's board of directors did not find it practicable to, and did not, quantify, rank or otherwise assign relative weights to the specific factors it considered in approving the merger agreement and the merger. In addition, individual members of WaveRider's board of directors may have given different weights to different factors. The WaveRider board of directors considered all of these factors as a whole, and overall considered them to be favorable and to support its determination.

Recommendation of the WaveRider Board of Directors

After careful consideration and based on the foregoing analysis, the WaveRider board of directors, on December 9, 2005, determined that the terms of the merger agreement and the merger are advisable, fair to and in the best interests of, WaveRider and its stockholders and unanimously approved the merger agreement and the merger. The WaveRider board of directors unanimously recommends that the stockholders of WaveRider vote "**FOR**" the proposal to adopt the merger agreement and approve the merger and "**FOR**" the proposal to permit adjournment or postponement of the WaveRider special meeting.

Interests of WaveRider Directors and Executive Officers in the Merger

In considering the recommendation of WaveRider's board of directors that you, as a WaveRider stockholder, vote to approve and adopt the merger agreement and approve the merger, you should be aware that some of WaveRider's executive officers and directors have interests in the transaction that are different from, or in addition to, your interests as a WaveRider stockholder. The WaveRider board of directors was aware of these interests and took these interests into account in approving the merger agreement and the merger. These interests are summarized below.

Stock Options

At the effective time of the merger, all outstanding WaveRider stock options, whether vested or unvested, will be assumed by Wave Wireless and become options to purchase shares of Wave Wireless common stock. The number of shares of Wave Wireless common stock issuable upon exercise of each such option, and the exercise price of each such option, will be adjusted by the exchange ratio, which will be determined immediately prior to completion of the merger. Each adjusted option will be subject to the same terms and conditions, including expiration date, vesting and exercise provisions, as were applicable to the corresponding option prior to the effective time of the merger.

Employment and Other Agreements

D. Bruce Sinclair. On November 18, 1997, WaveRider entered into an employment agreement with Mr. Sinclair whereby he will serve as its president and chief executive officer for an initial term of one year subject to annual extensions thereafter. Under the agreement's terms, Mr. Sinclair had a base salary of Can. $300,000 and a bonus plan of $200,000. The agreement provided that in the event that Mr. Sinclair was terminated without cause, he would be paid severance in an amount equal to one year's salary plus one month's salary for each year of employment in excess of twelve years service. Upon termination of Mr. Sinclair's employment for cause, WaveRider will have no obligation to Mr. Sinclair. Mr. Sinclair is entitled to participate in WaveRider's employee fringe benefit plans or programs generally available to our employees.

From time to time, since that date, the WaveRider board of directors has reviewed and amended the base salary, bonus and severance components of that agreement. On October 16, 2002, Mr. Sinclair reduced his day-to-day involvement, ceased using the title president, and waived salary payments in excess of Can. $84,000 per annum. On April 1, 2003, Mr. Sinclair and the compensation committee of the WaveRider board of directors agreed to a change in the amount being waived to any amount in excess of Can. $175,000. On October 15, 2004, in order to support WaveRider's cash position, Mr. Sinclair agreed to a further change, which waived any amount in excess of Can. $60,000. The waiver of salary payments over the amount agreed does not impact Mr. Sinclair's potential severance entitlement.

In 2001, the WaveRider board of directors agreed to amend Mr. Sinclair's employment agreement to provide that in the event that Mr. Sinclair's employment was terminated, other than for cause, he would be paid severance in an amount equal to three year's salary. On February 9, 2005, the WaveRider board of directors and Mr. Sinclair agreed to reduce the severance to an amount equal to one year's salary in exchange for the issuance of employee stock options to purchase 500,000 shares of common stock, at the then current market price of $0.19 per share.

On March 30, 2005, Mr. Sinclair requested medical leave from WaveRider, as its Chief Executive Officer. Subsequently, Mr. Sinclair and the board of directors agreed that Mr. Sinclair remain in a consulting role, on the same compensation basis as prior to his leave, providing oversight and direction while pursuing opportunities in mergers, acquisitions and strategic partnerships.

Charles W. Brown. On February 16, 1998, WaveRider entered into an employment agreement with Mr. Brown in substantially the same form as that described for Mr. Sinclair, with the exception of certain change in control provisions. On October 16, 2002, Mr. Brown was named executive vice president of WaveRider. On March 30, 2005, Mr. Brown was named Chief Executive Officer.

T. Scott Worthington. On January 5, 1998, WaveRider entered into an employment agreement with Mr. Worthington in substantially the same form as that described for Mr. Sinclair, with the exception of certain change in control provisions. Mr. Worthington serves as WaveRider's vice president and Chief Financial Officer.

The board of directors' has agreed to amend Mr. Worthington's agreement to state that in the event that Mr. Worthington's roles and responsibilities with WaveRider are reduced after a change of control, WaveRider will pay him severance in an amount equal to two years' salary.

Effect of Merger on Existing Agreements

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