Scotia Capital™

The Bank of Nova Scotia
Canadian Value Equity Deposit Notes, Series 1

5 Year Term to Maturity	0.00% to 40.00% Variable Return	100% Principal Protection at Maturity

The Bank of Nova Scotia — Canadian Value Equity Deposit Notes, Series 1 are 5-year principal protected notes that provide a payment at the Maturity Date equal to the Principal Amount plus the potential to receive a Variable Return of 0.00% to 40.00% of the Principal Amount per Note. The Variable Return is linked to the performance of a Basket notionally consisting of 15 Canadian companies, equally dollar weighted at inception.

THE COMPANIES

Agrium Inc.
Barrick Gold Corporation
Bombardier Inc.
BCE Inc.
Cameco Corporation
Canadian Tire Corporation, Limited
Fortis Inc.
Loblaw Companies Limited
Magna International Inc.
Potash Corporation of Saskatchewan Inc.
Penn West Petroleum Ltd.
Sun Life Financial Inc.
SNC-Lavalin Group Inc.
Thomson Reuters Corporation
The Toronto-Dominion Bank

FundSERV	Available Until
SSP164	January 27, 2012

Issue Date	Maturity Date
February 3, 2012	February 3, 2017

Minimum Investment	Website
CAD $5,000.00	www.scotia-ppns.com

INVESTMENT HIGHLIGHTS

Investment in 15 Canadian companies

Investors obtain 100% exposure to a diversified basket of 15 Canadian companies through a single investment.

Potential for a Variable Return of $0.00 to $40.00 per Note at maturity.

Principal Protection

100% principal protection by The Bank of Nova Scotia if held until maturity.

Variable Return

Variable Return is equal to the average of the Share Returns of the Shares in the Basket measured from the Issue Date to the Valuation Date multiplied by the Principal Amount.

The Share Return is subject to a maximum of 40.00%, there is no minimum Share Return for any Share.

Maximum Variable Return of $40.00, provided that each Share's Share Return is greater than or equal to 40.00%.

Minimum Variable Return of $0.00, provided that each Share's Share Return is less than 0.00%.

Variable Return paid on the Notes will not reflect any dividends or other distributions declared or paid on the Shares. As of December 8, 2011, the average 12-month dividend yield of the Basket for the 12-month period ended December 8, 2011 was 2.92%, which would represent aggregate dividends of 14.60% over the term of the Notes, assuming the dividend yield remains constant and the dividends are not reinvested.

Registered Account Eligible

100% qualified for RRSPs, RRIFs, RESPs, RDSPs, TFSAs and DPSPs.

Liquidity

The Notes will not be listed on any stock exchange. Scotia Capital Inc. intends to use reasonable efforts to initiate and maintain a secondary market for the Notes through the FundSERV network but reserves the right not to do so at any time without notice to investors. If an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses. An Investor who sells a Note within 720 days of the Issue Date may have to pay an Early Trading Charge of up to 4.50% of the Principal Amount of the Note.

The Notes are not conventional notes or debt securities. For the various risks associated with such an investment please see the "Risk Factors" section of the Information Statement.

When *insight matters*.™

For further information please contact your investment advisor

Hypothetical Examples

The following hypothetical examples are for illustrative purposes only. The Initial Prices and Final Prices of the Shares used in the following hypothetical examples are not estimates or forecasts of the actual Closing Prices of the Shares or the actual performance of the Notes.

Example 1: Overall Positive Performance

Company Name	Initial Price (CAD)	Final Price (CAD)	Share Return	Deemed Share Return
AGRIUM INC.	$70.70	$102.69	45.25%	40.00%
BARRICK GOLD CORPORATION	$50.82	$83.11	63.54%	40.00%
BOMBARDIER INC.	$3.59	$4.36	21.45%	21.45%
BCE INC.	$40.60	$36.48	-10.15%	-10.15%
CAMECO CORPORATION	$18.40	$25.68	39.57%	39.57%
CANADIAN TIRE CORPORATION, LIMITED	$64.92	$79.47	22.41%	22.41%
FORTIS INC.	$32.50	$61.56	89.41%	40.00%
LOBLAW COMPANIES LIMITED	$37.91	$64.25	69.47%	40.00%
MAGNA INTERNATIONAL INC.	$36.19	$53.41	47.58%	40.00%
POTASH CORPORATION OF SASKATCHEWAN INC.	$41.96	$47.41	13.00%	13.00%
PENN WEST PETROLEUM LTD	$19.00	$29.40	54.74%	40.00%
SUN LIFE FINANCIAL INC.	$18.28	$29.22	59.87%	40.00%
SNC-LAVALIN GROUP INC.	$49.60	$66.25	33.57%	33.57%
THOMSON REUTERS CORPORATION	$27.01	$40.45	49.77%	40.00%
THE TORONTO-DOMINION BANK	$72.85	$149.52	105.24%	40.00%
PRICE RETURN				**31.99%**
ANNUAL COMPOUND RATE OF RETURN				**5.71%**
VARIABLE RETURN				**$31.99**

In this hypothetical example, the Price Return of the Shares is 31.99%, which would generate a Variable Return of $31.99. Accordingly, Investors would receive $131.99 per Note on the Maturity Date, consisting of the $100.00 Principal Amount plus Variable Return of $31.99. This equates to an average annualized return over the 5 year investment period of 5.71%.

Example 2: Overall Negative Performance

Company Name	Initial Price (CAD)	Final Price (CAD)	Share Return	Deemed Share Return
AGRIUM INC.	$70.70	$88.55	25.25%	25.25%
BARRICK GOLD CORPORATION	$50.82	$48.07	-5.41%	-5.41%
BOMBARDIER INC.	$3.59	$3.89	8.45%	8.45%
BCE INC.	$40.60	$26.20	-35.47%	-35.47%
CAMECO CORPORATION	$18.40	$20.69	12.45%	12.45%
CANADIAN TIRE CORPORATION, LIMITED	$64.92	$25.40	-60.87%	-60.87%
FORTIS INC.	$32.50	$61.56	89.41%	40.00%
LOBLAW COMPANIES LIMITED	$37.91	$35.42	-6.57%	-6.57%
MAGNA INTERNATIONAL INC.	$36.19	$38.16	5.44%	5.44%
POTASH CORPORATION OF SASKATCHEWAN INC.	$41.96	$47.41	13.00%	13.00%
PENN WEST PETROLEUM LTD	$19.00	$10.15	-46.57%	-46.57%
SUN LIFE FINANCIAL INC.	$18.28	$6.67	-63.49%	-63.49%
SNC-LAVALIN GROUP INC.	$49.60	$51.31	3.45%	3.45%
THOMSON REUTERS CORPORATION	$27.01	$20.13	-25.47%	-25.47%
THE TORONTO-DOMINION BANK	$72.85	$77.66	6.60%	6.60%
PRICE RETURN				**0.00%**
ANNUAL COMPOUND RATE OF RETURN				**0.00%**
VARIABLE RETURN				**$0.00**

In this hypothetical example, the Price Return of the Shares is negative, generating no Variable Return. Accordingly, Investors would receive only the $100.00 Principal Amount per Note on the Maturity Date.

Important Information

The information above must be read in conjunction with the attached Information Statement. This document is a summary only of certain aspects of the Notes and you are urged to read the attached Information Statement in its entirety for complete information related to the Notes, including the risk factors. A hard copy of the Information Statement will be sent to all investors.

A person should reach a decision to invest in the Notes only after carefully considering, with his or her investment, legal, accounting, tax and other advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in the Information Statement. For instance, an investment in Notes is not suitable for a person seeking a guaranteed or fixed rate of return. The Bank, the Calculation Agent and the Selling Agent make no recommendation as to the suitability of the Notes for investment by any particular person.

The Notes have certain investment characteristics that differ from fixed income investments. An investment in Notes may be suitable for investors who: (i) have a long-term investment horizon, (ii) are prepared to receive a return that is not based on a fixed, floating or other specified rate of interest but is tied to the price performance of the Shares, (iii) are prepared to receive the Principal Amount only on the Maturity Date, (iv) are willing to accept a return which does not take into account the dividends or other distributions (if any) declared or paid on the Shares or do not expect to have full exposure to changes in prices of the Shares, (v) do not need or do not expect certainty of yield, and (vi) are prepared to accept the risks set out under "Risk Factors" in the Information Statement. The Principal Amount is only repaid if the Notes are held to the Maturity Date. The Notes are not conventional indebtedness in that they have no fixed or floating yield. It is possible that the appreciation, if any, in value of the Basket of Shares between the Issue Date and the Valuation Date could produce no positive Price Return and therefore the Notes could produce no yield. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield. Prospective purchasers should take into account additional risk factors associated with this Offering. See "Risk Factors" in the Information Statement.

The Notes are not redeemable by the Investor. The Notes are generally not suitable for an Investor who requires liquidity prior to the Maturity Date. An Investor should consult his or her investment advisor as to whether it would be more favourable in the circumstances at any time to sell Notes (assuming the availability of a secondary market) or hold Notes until the Maturity Date. An Investor should also consult his or her tax advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date.

The Notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* among themselves with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). **Investors will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.** Each Note will be issued for a subscription price of 100% of the Principal Amount thereof ($100.00 per Note). The subscription price was determined by negotiation between the Bank and the Selling Agent. The Selling Agent is a wholly owned subsidiary of the Bank. As a result, the Bank is a related and connected issuer of the Selling Agent under applicable Canadian securities legislation.

The Notes do not constitute a direct investment in any of the Shares. By acquiring Notes, Investors will not have a direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any Share notionally contained in the Basket and will not have any rights as a shareholder, unitholder or other security holder of any of the Companies including, without limitation, any voting rights or rights to receive dividends or other distributions.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any State securities laws and, subject to certain exceptions, may not be offered for sale, sold or delivered, directly or indirectly, in the United States, its territories or possessions or to or for the account or benefit of U.S. persons within the meaning of Regulation S under the 1933 Act. In addition, the Notes may not be offered or sold to residents of any jurisdiction or country in Europe.

INFORMATION STATEMENT DATED DECEMBER 14, 2011

The Bank of Nova Scotia
Canadian Value Equity Deposit Notes, Series 1

PRINCIPAL PROTECTED
MAXIMUM OFFERING: $20,000,000

The Bank of Nova Scotia — Canadian Value Equity Deposit Notes, Series 1 (the "Notes") are principal protected notes issued by The Bank of Nova Scotia (the "Bank"), the return on which is linked, in the manner provided herein, to the price performance of a basket (the "Basket") consisting of notional equity shares (collectively, the "Shares") of 15 Canadian issuers (the "Companies"), equally dollar-weighted at inception. The Notes will mature on February 3, 2017 (the "Maturity Date"). The Notes are not redeemable prior to the Maturity Date.

The Companies initially are:

- Agrium Inc.
- Barrick Gold Corporation
- Bombardier Inc.
- BCE Inc.
- Cameco Corporation
- Canadian Tire Corporation, Limited
- Fortis Inc.
- Loblaw Companies Limited
- Magna International Inc.
- Potash Corporation of Saskatchewan Inc.
- Penn West Petroleum Ltd.
- Sun Life Financial Inc.
- SNC-Lavalin Group Inc.
- Thomson Reuters Corporation
- The Toronto-Dominion Bank

At the Maturity Date, an Investor (as defined herein) will receive an amount per Note equal to: (i) the amount deposited of $100.00 (the "Principal Amount") and (ii) the variable return, if any (the "Variable Return"), in an amount equal to the Principal Amount multiplied by the Price Return. The Price Return will equal the average of the Share Returns (each of which can be positive or negative) of the Shares in the Basket, expressed as a percentage. A Share Return is the percentage increase or decrease in the Closing Price (as defined herein) of the relevant Share, measured from the Issue Date (as defined herein) to the Valuation Date (as defined herein), subject to a maximum of 40.00%. There is no minimum Share Return for any Share. If such Share Return is negative, there is no floor on the Share's negative contribution to the Price Return of the Shares in the Basket. No Variable Return will be paid unless the Price Return is greater than zero. The Variable Return, if any, paid on the Notes will not reflect any dividends or other distributions declared or paid on the Shares. The amount of Variable Return shall not, in any event, exceed $40.00 per Note. See "Description of the Notes — Variable Return" and "Risk Factors".

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisors whether the Notes are a suitable investment in light of the particular circumstances of the investor and the information set out in this Information Statement. Neither the Bank nor Scotia Capital Inc. nor any of their respective affiliates make any recommendation as to whether the Notes are a suitable investment for any person. See "Risk Factors".

PRICE: $100 PER NOTE
Minimum Subscription: $5,000 (50 Notes)
FundSERV Code: SSP164

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The Bank has taken reasonable care to ensure that the facts stated in this Information Statement with respect to the Notes are true and accurate in all material respects. All information in this Information Statement relating to the securities in the Basket and the issuers of such securities has been obtained from publicly available sources. As such, neither the Bank nor the Selling Agent (as defined herein) assumes any responsibility for the accuracy or completeness of such information. The Bank and the Selling Agent make no assurances, representations or warranties with respect to the accuracy, reliability or completeness of any information obtained from publicly available sources reproduced or referred to herein.

Neither the Bank, the Selling Agent nor any of their respective affiliates express any view as to the future performance of any of the Shares. Investors should make any decision to invest in the Notes based only on their own views on the likely future performance of the Shares without reliance on the Bank, the Selling Agent or any of their affiliates and with the knowledge that the views of the Bank, the Selling Agent or any of their affiliates and the views of other market professionals may be different than theirs.

In this Information Statement, "$" refers to Canadian dollars, unless otherwise expressly specified.

SUITABILITY FOR INVESTMENT

An investment in Notes may be suitable for investors who: (i) have a long-term investment horizon, (ii) are prepared to receive a return that is not based on a fixed, floating or other specified rate of interest but is tied to the price performance of the Shares, (iii) are prepared to receive the Principal Amount only on the Maturity Date, (iv) are willing to accept a return which does not take into account the dividends or other distributions (if any) declared or paid on the Shares nor the full potential equity upside of the price performance of the Shares, (v) do not need or do not expect certainty of yield, and (vi) are prepared to accept the risks set out under "Risk Factors".

The return on the Notes, if any, is uncertain in that an investor may not receive anything more than the Principal Amount at the Maturity Date. **The Principal Amount is guaranteed to be repaid at maturity only if the Notes are held to the Maturity Date.** The Notes are generally not suitable for investors who anticipate the need to sell them prior to maturity or who prefer to receive the dividends or other distributions (if any) on the Shares. A person should reach a decision to invest in the Notes only after carefully considering, with his or her advisors, the suitability of this investment in light of his or her investment objectives and the information set out in this Information Statement. The Notes are not conventional indebtedness in that they have no fixed or floating yield. It is possible that the appreciation, if any, in value of the Basket of Shares between the Issue Date and the Valuation Date could produce no positive Price Return and therefore the Notes could produce no yield. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield. See "Risk Factors".

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank, the Notes offered hereby would, if issued on the date of this Information Statement, be qualified investments under the Act (as defined herein) for trusts governed by registered retirement savings plans (each an "**RRSP**"), registered retirement income funds (each an "**RRIF**"), registered education savings plans, registered disability savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm's length within the meaning of the Act) and tax-free savings accounts (each a "**TFSA**").

A Note will not be a "prohibited investment" for a TFSA or, as proposed to be extended by draft legislation contained in Bill C-13, which received Second Reading in the Senate on November 24, 2011, implementing proposals from the June 6, 2011 Federal Budget (the "**Budget**"), an RRSP or RRIF, provided the holder of a TFSA or annuitant under an RRSP or RRIF, as the case may be, deals at arm's length with the Bank and does not have a "significant interest" (within the meaning of the Act) in the Bank or in a corporation, partnership or trust that does not deal at arm's length with the Bank. No assurance can be given that the Budget proposals will be enacted as proposed or at all.

SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in this Information Statement. See "Glossary" for defined terms.

Issue: The Bank of Nova Scotia — Canadian Value Equity Deposit Notes, Series 1.

Issuer: The Bank of Nova Scotia.

Selling Agent: Scotia Capital Inc.

Principal Amount: The Notes will be sold in denominations of $100.00 per Note.

Subscription Price:

Price to an Investor(1)	Selling Agent Fees	Proceeds to the Bank(2)
$100.00 per Note	$2.50	$97.50

(1) The price to be paid by each Investor upon issuance has been determined by negotiation between the Bank and the Selling Agent.

(2) Before deduction of expenses of issue, which will be paid by the Bank out of its general funds.

Companies and Shares: The Notes will provide exposure to the price performance of the Shares of the Companies utilizing a notional Basket of Shares. The Companies that will initially comprise the Basket and the current trading symbols of the Shares on the relevant Exchanges are as follows, equally dollar-weighted at inception:

Company	Trading Symbol	Exchange
Agrium Inc.	AGU	TSX
Barrick Gold Corporation	ABX	TSX
Bombardier Inc.	BBD/B	TSX
BCE Inc.	BCE	TSX
Cameco Corporation	CCO	TSX
Canadian Tire Corporation, Limited	CTC/A	TSX
Fortis Inc.	FTS	TSX
Loblaw Companies Limited	L	TSX
Magna International Inc.	MG	TSX
Potash Corporation of Saskatchewan.	POT	TSX
Penn West Petroleum Ltd.	PWT	TSX
Sun Life Financial Inc.	SLF	TSX
SNC-Lavalin Group Inc.	SNC	TSX
Thomson Reuters Corporation	TRI	TSX
The Toronto-Dominion Bank	TD	TSX

Brief descriptions of the Companies and information concerning historical trading prices of the Shares are set out under "The Shares and the Companies". Investors may obtain more detailed information about each of the Companies through their advisors.

Upon the occurrence of certain events, the Shares of a Company may be substituted in the Basket with different notional shares. See "Description of the Notes — Special Circumstances".

	All references herein to the Basket and the Shares are solely for purposes of establishing the sources of and the mechanics for determining the Variable Return, if any. The Notes do not constitute a direct investment in any of the Shares. By acquiring Notes, Investors will not have a direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any Share notionally contained in the Basket and will not have any rights as a shareholder, unitholder or other security holder of any of the Companies including, without limitation, any voting rights or rights to receive dividends or other distributions.
Minimum Subscription:	Minimum subscription of \$5,000 (50 Notes).
Issue Size:	A maximum of \$20,000,000 Principal Amount of Notes will be issued by the Bank. The maximum size of the Offering may be changed at any time without notice, in the sole discretion of the Bank.
Issue Date:	The Notes will be issued on or about February 3, 2012, or an earlier date agreed to between the Bank and the Selling Agent if the selling period for the Notes ends prior to January 27, 2012 (the actual date of issuance being the "Issue Date").
Initial Price:	For purposes of determining the Share Return of each Share, the Initial Price of each Share will be its Closing Price on the Issue Date, subject to deferral in the circumstances described under "Description of the Notes — Special Circumstances".
Final Price:	For purposes of determining the Share Return of each Share, the Final Price of each Share will be its Closing Price on the date that is two Business Exchange Days prior to the Maturity Date (the "Valuation Date"), subject to deferral in the circumstances described under "Description of the Notes — Special Circumstances".
Maturity Date/Term:	The Notes will mature on February 3, 2017, resulting in a term to maturity of approximately 5 years.
Amounts Payable at Maturity:	The amount payable in respect of each Note on the Maturity Date will be equal to the sum of: (i) the Principal Amount plus (ii) the Variable Return, if any. An Investor does not have the right to retract or cause the redemption of the Notes prior to the Maturity Date. However, an Investor may be able to sell Notes in any available secondary market prior to the Maturity Date. See "Description of the Notes — Secondary Trading of Notes". In no event will the Principal Amount of a Note be paid prior to the Maturity Date. The amount and method of calculating Variable Return and the timing of the payment of Variable Return, if any, may be affected by Market Disruption Events and Extraordinary Events. See "Description of the Notes — Special Circumstances".
Variable Return:	The Notes will not bear any interest during the term of the Notes, but will rather have a variable return (the "Variable Return"), if any, per Note payable at maturity, calculated as follows: **Variable Return = Principal Amount × Price Return**

	The Price Return will equal the average of the Share Returns (each of which can be positive or negative) of the Shares in the Basket, expressed as a percentage. The Share Return of any particular Share in the Basket is the percentage increase or decrease in the Closing Price of that Share, measured from the Issue Date to the Valuation Date, subject to a maximum of 40.00%. There is no minimum Share Return for any Share. If such Share Return is negative, there is no floor on the Share's negative contribution to the Price Return of the Shares in the Basket. Sufficiently weak performance by one or more Shares can offset positive performance resulting in the possibility of no Variable Return being paid. **No Variable Return will be paid unless the Price Return is greater than zero.** The Variable Return, if any, paid on the Notes will not reflect any dividends or other distributions declared or paid on the Shares. The amount of Variable Return shall not, in any event, exceed $40.00 per Note. See "Description of the Notes — Variable Return" and "Risk Factors — No Variable Return may be Payable".
Market Disruption Event:	If a Market Disruption Event in respect of a Share occurs on either the Issue Date or the Valuation Date and continues for a period of eight consecutive Business Days, the Calculation Agent may, in its sole discretion, elect to determine the Initial Price or the Final Price, as the case may be, of the affected Share. If a Market Disruption Event in respect of a Share occurs on the Valuation Date, determination of the Variable Return, if any, will be postponed to a later date. See "Description of the Notes — Special Circumstances — Market Disruption Event".
Extraordinary Event:	The occurrence of an Extraordinary Event may result in the Bank electing to accelerate the determination and payment of the Variable Return, if any, payable to Investors. If an Extraordinary Event occurs, the Bank may elect to pay the Variable Return, if any, to Investors at that time or, instead, defer payment of any such Variable Return until the Maturity Date. Notwithstanding the occurrence of an Extraordinary Event, the Principal Amount of each Note will not, under any circumstances, be repaid until the Maturity Date. See "Description of the Notes — Special Circumstances — Extraordinary Event".
Currency Risk:	The Notes have no direct foreign currency exposure.
Credit Rating:	**The Notes have not been rated.** As of the date of this Information Statement, the Bank's deposit liabilities with a term of more than one year were rated AA by DBRS, AA− by S&P, AA− by Fitch and Aa1 by Moody's. There can be no assurance that if the Notes were specifically rated by these rating agencies that they would have the same rating as such other deposit liabilities. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.** See "Description of the Notes — Credit Rating".

Secondary Market:	**There is currently no market through which the Notes may be sold.** There can be no assurance that a secondary market for the Notes will develop or, if such market does develop, that it will be sustained or liquid. The Notes will not be listed on any stock exchange. However, an Investor may be able to sell Notes prior to maturity in any available secondary market. The Selling Agent intends to use reasonable efforts to initiate and maintain a secondary market for the Notes, but reserves the right not to do so at any time in the future, in its sole discretion, without providing prior notice to Investors. These efforts will consist of posting a daily bid price (the "Bid Price") through the FundSERV network for the Notes. The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor and may, in its sole discretion, limit the Principal Amount of Notes that will be acquired on any given day from any particular Investor and/or defer the purchase of any or all Notes from any particular Investor. **If an Investor sells a Note to the Selling Agent within the first 720 days from the Issue Date, the Investor will receive sale proceeds equal to the Bid Price for the Note as determined by the Selling Agent minus any applicable Early Trading Charge. A sale of Notes originally purchased through a distributor on the FundSERV network will be subject to certain additional limitations and procedures established by the FundSERV network.** See "Description of the Notes — Secondary Trading of Notes", "FundSERV" and "Risk Factors".
Early Trading Charge:	During the first 720 days following the issuance of the Notes, an Early Trading Charge will apply to any secondary market sale of a Note through the Selling Agent. The Early Trading Charge will be equal to a percentage of the Principal Amount of the Note, determined as follows:

If Sold Within	Early Trading Charge
0-90 days	4.50%
91-180 days	3.95%
181-270 days	3.40%
271-360 days	2.85%
361-450 days	2.30%
451-540 days	1.75%
541-630 days	1.25%
631-720 days	0.70%
Thereafter	Nil

An Investor should be aware that any price for the Notes appearing on his or her monthly or quarterly investment account statement will be BEFORE the application of any applicable Early Trading Charge. An Investor wishing to sell Notes prior to the Maturity Date should consult with his or her investment advisor as to whether an Early Trading Charge is payable and, if so, how much it will be.

Book-Entry Registration:	The Notes will be evidenced by a single global Note held by a depositary (initially being CDS). Registration of the interests in and transfers of the Notes will be made only through the book-entry system of CDS. Subject to certain limited exceptions, Investors will not be entitled to any certificate or other instrument from the Bank or the depositary evidencing the ownership thereof and an Investor will not be shown on the records maintained by the depositary except through an agent who is a participant of the depositary. See "Description of the Notes — Form of the Notes".

Status; No Deposit Insurance:	The Notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* among themselves with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). **Investors will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.**
Use of Proceeds:	The Net Proceeds will not be held by the Bank in trust for the Investors in any segregated or other account, but rather the Bank will use the Net Proceeds of the Offering for its general banking purposes. See "Description of the Notes — Use of Proceeds".
Income Tax Considerations:	This income tax summary is subject to the limitations and qualifications set out under the heading "Certain Canadian Federal Income Tax Considerations". *Resident Initial Investors* Although not free from doubt, and subject to the CRA review referred to below, a Resident Initial Investor should not be required to accrue amounts into income in respect of a Note prior to the determination of the Variable Return, if any, payable under the Note at the Maturity Date or following an Extraordinary Event. Absent an Extraordinary Event, the Variable Return, if any, will be includable in income for the taxation year of a Resident Initial Investor which includes the Valuation Date. Although not free from doubt, a Resident Initial Investor who disposes of, or is deemed to dispose of, a Note (other than by virtue of repayment of the Note at maturity or a disposition following an Extraordinary Event in respect of which the Variable Return is determined) should, subject to the CRA review noted below, realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate of the Resident Initial Investor's adjusted cost base of the Note and any reasonable costs of disposition. CRA is reviewing whether the existence of a secondary market for obligations such as the Notes should be taken into consideration in determining the tax treatment to investors in such obligations. There can be no assurance that the administrative policies or assessing practices of CRA upon completion of their review will be consistent with the absence of a requirement to accrue interest in respect of potential Variable Return under the Notes or with the characterization of proceeds received on the disposition of the Notes on capital account. **Resident Initial Investors who dispose of Notes prior to the Maturity Date, including Resident Initial Investors who dispose of Notes shortly prior to the Valuation Date, should consult their tax advisors with respect to their particular circumstances.** *Non-Resident Initial Investors* A Non-Resident Initial Investor may be subject to Canadian non-resident withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Bank as, on account of or in lieu of payment of, or in satisfaction of, interest. Where Canadian non-resident withholding tax applies in accordance with the law or Canada Revenue Agency's interpretation or administration of the law, the Bank will withhold from such payments and will remit any amount so withheld on account of a Non-Resident Initial Investor's liability to tax under the Act in accordance with the provisions of the Act. Prospective investors who are non-residents of Canada should consult and rely on their own tax advisors as to the tax consequences to them of acquiring, holding and disposing of Notes. Neither the Bank, the Selling Agent nor any of their affiliates make any representation to any prospective investor in that regard.

	See “Certain Canadian Federal Income Tax Considerations”, “Risk Factors — CRA Administrative Practice” and “Risk Factors — Non-Resident Withholding Tax”
Selling Expenses:	Selling expenses of $2.50 per Note will be paid out of the proceeds of this Offering to qualified selling members for selling the Notes.
Risk Factors:	A prospective investor should decide to invest in the Notes only after carefully considering, with his or her advisors, whether the Notes are a suitable investment in light of his or her own circumstances and the information set out in this Information Statement. Neither the Bank nor Scotia Capital Inc. nor any of their respective affiliates make any recommendation as to whether the Notes are a suitable investment for any person. Before reaching a decision to purchase any Notes, prospective investors should carefully consider a variety of risk factors associated with the Notes, including but not limited to: (i) the Notes are not suitable for all investors; (ii) the terms of the Notes differ from those of ordinary obligations or debt instruments, in that, a return, if any, is payable on the Notes only at the Maturity Date in most circumstances and only to the extent that the Price Return is greater than zero; (iii) the Notes do not provide a return that is calculated by reference to a fixed, floating or other specified rate of interest and therefore the return on the Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain; (iv) there can be no assurance that the Notes will bear any return; (v) no Variable Return may be payable on the Notes and the maximum Variable Return, if any, that may be payable is $40.00 per Note; (vi) sufficiently weak performance by one or more Shares can offset positive performance resulting in the possibility of no Variable Return being paid; (vii) the Variable Return, if any, under a Note will not replicate the return from a direct investment in the Shares; (viii) the ability of an Investor to pledge the Notes or otherwise take action with respect to such Investor’s interest in such Notes (other than through a CDS Participant) may be limited due to the lack of a physical certificate; (ix) the Variable Return, if any, will be determined on the basis of the price performance of the Shares; historical performance of a Share is not necessarily indicative of the future performance of that Share; (x) it is impossible to predict whether the Closing Price of a Share will increase or decrease over the term of the Notes; (xi) there is no assurance that Scotia Capital Inc. will maintain a secondary market for the Notes; (xii) if an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses; (xiii) the Share Returns will not reflect the payment of dividends or other distributions on the Shares; (xiv) there are potential conflicts of interest between Investors and the Bank; (xv) the occurrence of certain events may accelerate or delay the payment of Variable Return, if any, and change the manner in which Variable Return is calculated; (xvi) no independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent; (xvii) certain risk factors applicable to investors who invest directly in Shares are also applicable to an investment in Notes to the extent that such risk factors could adversely affect the performance of the Companies; (xviii) the likelihood that Investors will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank; (xix) there can be no assurance that income tax, securities and other laws will not be amended or changed in a manner which adversely affects Investors; (xx) investors should consider the tax consequences of an investment in the Notes. While, based upon CRA administrative practice, there should be no deemed accrual of interest on the Notes, CRA is not bound to apply such administrative practice to investors in

	the Notes. CRA is reviewing whether the existence of a secondary market for obligations such as the Notes should be taken into consideration in determining the tax treatment to investors in such obligations. There can be no assurance that the administrative policies or assessing practices of CRA upon completion of their review will be consistent with the absence of a requirement to accrue interest in respect of potential Variable Return under the Notes or with the characterization of proceeds received on the disposition of the Notes on capital account; (xxi) the potential application of non-resident withholding tax; (xxii) the Notes will not be insured by the Canada Deposit Insurance Corporation or any other entity; (xxiii) there is no assurance that an investment in the Notes will be eligible for protection under the Canadian Investor Protection Fund; and (xxiv) changes in economic conditions, trends, war, tax laws and innumerable other factors, none of which are within the control of the Bank, can affect substantially and adversely the Closing Prices of the Shares. See "Risk Factors".
Availability of Information:	A copy of this Information Statement will be posted on the Bank's structured products website at www.scotia-ppns.com and will be provided in writing on request from Scotia Capital at 1-866-416-7891. Certain additional information regarding the Notes will also be provided on an ongoing basis at www.scotia-ppns.com, including the last available measure that would be used to determine the Share Returns and any applicable Early Trading Charge. During the term of the Notes, Investors may enquire as to the Bid Price by contacting Scotia Capital at the above number. Prospective investors may enquire about the terms and conditions of the Notes by contacting their investment advisor or Scotia Capital at the above number.

DESCRIPTION OF THE NOTES

Issue Size

The Bank of Nova Scotia — Canadian Value Equity Deposit Notes, Series 1 will be issued by the Bank on the Issue Date. A maximum of $20,000,000 Principal Amount of Notes will be issued by the Bank. The maximum size of the Offering may be changed at any time without notice, in the sole discretion of the Bank.

Principal Amount and Minimum Subscription

Each Note will be issued in a Principal Amount of $100.00. The price to be paid by each Investor upon issuance has been determined by negotiation between the Bank and the Selling Agent. The minimum subscription per Investor will be fifty (50) Notes (i.e. $5,000).

Issue Date

The Notes will be issued on or about February 3, 2012, or an earlier date agreed to between the Bank and the Selling Agent if the selling period for the Notes ends prior to January 27, 2012 (the actual date of issuance being the "Issue Date").

Companies and Shares

The Notes will provide exposure to the price performance of the Shares of the Companies utilizing a notional Basket of Shares. The Companies that will initially comprise the Basket and the current trading symbols of the Shares on the relevant Exchanges are as follows, equally dollar-weighted at inception:

Company	Trading Symbol	Exchange
Agrium Inc.	AGU	TSX
Barrick Gold Corporation	ABX	TSX
Bombardier Inc.	BBD/B	TSX
BCE Inc.	BCE	TSX
Cameco Corporation	CCO	TSX
Canadian Tire Corporation, Limited	CTC/A	TSX
Fortis Inc.	FTS	TSX
Loblaw Companies Limited	L	TSX
Magna International Inc.	MG	TSX
Potash Corporation of Saskatchewan	POT	TSX
Penn West Petroleum Ltd.	PWT	TSX
Sun Life Financial Inc.	SLF	TSX
SNC-Lavalin Group Inc.	SNC	TSX
Thomson Reuters Corporation	TRI	TSX
The Toronto-Dominion Bank.	TD	TSX

Brief descriptions of the Companies and information concerning historical trading prices of the Shares are set out under "The Shares and the Companies". Investors may obtain more detailed information about each of the Companies through their advisors.

Upon the occurrence of certain events, the Shares of a Company may be substituted in the Basket with different notional shares. See "Description of the Notes — Special Circumstances".

All references herein to the Basket and the Shares are solely for purposes of establishing the sources of and the mechanics for determining the Variable Return, if any. The Notes do not constitute a direct investment in any of the Shares. By acquiring Notes, Investors will not have a direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any Share notionally contained in the Basket and will not have any rights as a shareholder, unitholder or other security holder of any of the Companies including, without limitation, any voting rights or rights to receive dividends or other distributions.

Maturity and Principal Repayment

Each Note will mature on the Maturity Date, on which date the Investor will receive a minimum of the Principal Amount of $100.00 per Note. If the Maturity Date is not a Business Day for any reason, then the Maturity Date will be deemed to occur on the next following Business Day and no interest or other compensation will be paid to an Investor in respect of such postponement.

Variable Return

Each Note will bear Variable Return, if any, as described herein, which Variable Return will be paid on the Maturity Date, subject to acceleration or deferral in the circumstances described under "Description of the Notes — Special Circumstances". The Notes will not bear any interest during the term of the Notes, but will rather have a Variable Return, if any, per Note payable at maturity in Canadian dollars, calculated as follows:

$$\textbf{Variable Return} = \textbf{Principal Amount} \times \textbf{Price Return}$$

The Price Return will be determined by the average of the Share Returns (each of which can be positive or negative) of the Shares in the Basket, expressed as a percentage. The Share Return of any particular Share in the Basket shall be equal to the percentage increase or decrease in the Closing Price of that Share, measured from the Issue Date to the Valuation Date, calculated as follows:

$$\frac{\textbf{Final Price} - \textbf{Initial Price}}{\textbf{Initial Price}}$$

provided that the maximum Share Return of any particular Share in the Basket shall not, in any event, exceed 40.00%.

The Final Price of a Share is its Closing Price on the Valuation Date, subject to the provisions set out under "Description of the Notes — Special Circumstances". The Initial Price of a Share is its Closing Price on the Issue Date, subject to the provisions set out under "Description of the Notes — Special Circumstances".

The maximum Share Return for any Share shall not, in any event, exceed 40.00%. There is no minimum Share Return for any Share. If such Share Return is negative, there is no floor on the Share's negative contribution to the Price Return of the Shares in the Basket.

The Variable Return, if any, paid on the Notes will not reflect any dividends or other distributions declared or paid on the Shares. The amount of Variable Return, if any, will depend upon the performance of the Shares. It is possible that no Variable Return will be payable. No Variable Return will be paid unless the Price Return is greater than zero. The amount of Variable Return shall not, in any event, exceed $40.00 per Note. Sufficiently weak performance by one or more Shares can offset positive performance resulting in the possibility of no Variable Return being paid. See "Risk Factors — No Variable Return may be Payable".

Variable Return, if any, will generally be paid by the Bank to the Investor only on the Maturity Date. However, the timing, manner of determining and payment of Variable Return may be affected by the occurrence of an Extraordinary Event or a Market Disruption Event and certain other events. See "Description of the Notes — Special Circumstances".

An Investor cannot elect to receive Variable Return, if any, before the Maturity Date.

If, following payment of the Variable Return, if any, a correction or change is made to the Initial Price or the Final Price of a Share used in the determination of a Share Return, the amount of the Variable Return, if any, will not be changed to reflect such correction or change and the Bank will be under no obligation to pay any additional amount to any Investor.

Hypothetical Variable Return Examples

The following hypothetical examples are for illustrative purposes only. The Initial Prices and Final Prices of the Shares used in the following hypothetical examples are not estimates or forecasts of the actual Closing Prices of the Shares or the actual performance of the Notes.

Example 1: Overall Positive Performance

Company Name	Initial Price	Final Price	*Actual Return*	*Share Return*
Agrium Inc	70.70	102.69	45.25%	40.00%
Barrick Gold Corporation	50.82	83.11	63.54%	40.00%
Bombardier Inc	3.59	4.36	21.45%	21.45%
BCE Inc	40.60	36.48	-10.15%	-10.15%
Cameco Corporation	18.40	25.68	39.57%	39.57%
Canadian Tire Corporation, Limited	64.92	79.47	22.41%	22.41%
Fortis Inc	32.50	61.56	89.41%	40.00%
Loblaw Companies Limited	37.91	64.25	69.47%	40.00%
Magna International Inc	36.19	53.41	47.58%	40.00%
Potash Corporation of Saskatchewan Inc	41.96	47.41	13.00%	13.00%
Penn West Petroleum Ltd	19.00	29.40	54.74%	40.00%
Sun Life Financial Inc	18.28	29.22	59.87%	40.00%
SNC-Lavalin Group Inc	49.60	66.25	33.57%	33.57%
Thomson Reuters Corporation	27.01	40.45	49.77%	40.00%
The Toronto-Dominion Bank	72.85	149.52	105.24%	40.00%

VARIABLE RETURN = 31.99%

ANNUAL COMPOUND RATE OF RETURN = 5.71%

In the above hypothetical example, the Price Return of the Shares is 31.99%, which would generate a Variable Return of $31.99. Accordingly, Investors would receive $131.99 per Note on the Maturity Date, consisting of the $100.00 Principal Amount plus Variable Return of $31.99. This equates to an average annualized return over the 5 year investment period of 5.71%.

Example 2: Overall Negative Performance

Company Name	Initial Price	Final Price	*Actual Return*	*Share Return*
Agrium Inc	70.70	88.55	25.25%	25.25%
Barrick Gold Corporation	50.82	48.07	-5.41%	-5.41%
Bombardier Inc	3.59	3.89	8.45%	8.45%
BCE Inc	40.60	26.20	-35.47%	-35.47%
Cameco Corporation	18.40	20.69	12.45%	12.45%
Canadian Tire Corporation, Limited	64.92	25.40	-60.87%	-60.87%
Fortis Inc	32.50	61.56	89.41%	40.00%
Loblaw Companies Limited	37.91	35.42	-6.57%	-6.57%
Magna International Inc	36.19	38.16	5.44%	5.44%
Potash Corporation of Saskatchewan Inc	41.96	47.41	13.00%	13.00%
Penn West Petroleum Ltd	19.00	10.15	-46.57%	-46.57%
Sun Life Financial Inc	18.28	6.67	-63.49%	-63.49%
SNC-Lavalin Group Inc	49.60	51.31	3.45%	3.45%
Thomson Reuters Corporation	27.01	20.13	-25.47%	-25.47%
The Toronto-Dominion Bank	72.85	77.66	6.60%	6.60%

VARIABLE RETURN = 0.00%

ANNUAL COMPOUND RATE OF RETURN = 0.00%

In the above hypothetical example, the Price Return of the Shares is negative, generating no Variable Return. Accordingly, Investors would receive only the $100.00 Principal Amount per Note on the Maturity Date.

Use of Proceeds

The Net Proceeds will not be held by the Bank in trust for the Investors in any segregated or other account, but rather the Bank will use the Net Proceeds of the Offering for its general banking purposes.

Secondary Trading of Notes

There is currently no market through which the Notes may be sold. There can be no assurance that a secondary market for the Notes will develop or, if such market does develop, that it will be sustained or liquid. The Notes will not be listed on any stock exchange. However, an Investor may be able to sell Notes prior to maturity in any available secondary market. The Selling Agent intends to use reasonable efforts to initiate and maintain a secondary market for the Notes, but reserves the right not to do so at any time in the future, in its sole discretion, without providing prior notice to Investors. These efforts will consist of posting a daily bid price (the "Bid Price") through the FundSERV network for the Notes. The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor and may, in its sole discretion, limit the Principal Amount of Notes that will be acquired on any given day from any particular Investor and/or defer the purchase of any or all Notes from any particular Investor. **Each sale of a Note to the Selling Agent will be effected at a price equal to: (i) the Bid Price for the Note minus (ii) any applicable Early Trading Charge. If an Investor sells a Note to the Selling Agent within the first 720 days from the Issue Date, the Investor will receive sale proceeds equal to the Bid Price for the Note as determined by the Selling Agent minus any applicable Early Trading Charge. A sale of Notes originally purchased through a distributor on the FundSERV network will be subject to certain additional limitations and procedures established by the FundSERV network.** See "FundSERV" for details regarding secondary trading where the Notes are held through participants in the FundSERV network.

The Bid Price for a Note will be affected by a number of factors, the most important of which are: (i) the Principal Amount of the Note which is payable on maturity; and (ii) the expected value of the Variable Return, if any. Generally, the longer the term to maturity and the higher the prevailing interest rates at the time such Bid Price is obtained, the less the Note will be worth. The expected value of the Variable Return will be a function of a number of variables, including but not limited to: (a) the volatility of the Closing Prices of the Shares; (b) the remaining term to maturity of the Notes; (c) changes in the Closing Prices of the Shares since the Issue Date; and (d) various other factors including, but not limited to, prevailing interest rates and market demand for the Notes. The relationship between these factors is complex and may also be influenced by various political, economic and other factors that can affect the Bid Price of a Note. Due to the method used to price the Variable Return, the expected value of the Variable Return may be substantially less than the value computed only with reference to the price performance of the Shares.

While the Selling Agent will use reasonable efforts, the Selling Agent is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when commenced, may be suspended at any time at the sole discretion of the Selling Agent, without notice. If there is no secondary market, an Investor will not be able to sell its Notes. The Notes are intended to be instruments held to the Maturity Date. The Principal Amount of a Note is guaranteed to be repaid only if the Note is held to the Maturity Date.

If an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses. See "Risk Factors — Liquidity Risk and Secondary Market".

An Investor will not be able to redeem Notes prior to the Maturity Date.

Early Trading Charge

During the first 720 days following the issuance of the Notes, an Early Trading Charge will apply to any secondary market sale of a Note through the Selling Agent. The Early Trading Charge will be equal to a percentage of the Principal Amount of the Note, determined as follows:

If Sold Within	Early Trading Charge
0-90 days	4.50%
91-180 days	3.95%
181-270 days	3.40%
271-360 days	2.85%

361-450 days	2.30%
451-540 days	1.75%
541-630 days	1.25%
631-720 days	0.70%
Thereafter	Nil

An Investor should be aware that any price for the Notes appearing on his or her monthly or quarterly investment account statement will be BEFORE the application of any applicable Early Trading Charge. An Investor wishing to sell Notes prior to the Maturity Date should consult with his or her investment advisor as to whether an Early Trading Charge is payable and, if so, how much it will be.

The Notes are generally not suitable for an Investor who requires liquidity prior to the Maturity Date. An Investor should consult his or her investment advisor as to whether it would be more favourable in the circumstances at any time to sell Notes (assuming the availability of a secondary market) or hold Notes until the Maturity Date. An Investor should also consult his or her tax advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date.

Special Circumstances

During the term of the Notes, certain events affecting the Notes and the Shares may occur. Following the occurrence of any such event, the Calculation Agent may be required to make decisions with respect to the Notes relating to the payment and/or calculation of the Variable Return, if any, and the valuation of one or more Shares.

In connection with the foregoing, the Calculation Agent will make its determinations and calculations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result; provided, however, that absent manifest error, wilful default or bad faith, all of the Calculation Agent's determinations and calculations will be conclusive for all purposes and binding upon Investors, without any liability on the Calculation Agent's, the Selling Agent's or the Bank's part, and Investors or any third party will not be entitled to any compensation from the Calculation Agent, the Selling Agent or the Bank for any loss suffered as a result of any of the Calculation Agent's determinations and calculations. See "Risk Factors — Potential Conflicts of Interest between the Investor and The Bank of Nova Scotia".

Potential Adjustment Event

Following the announcement by a Company of the terms of any Potential Adjustment Event in respect of its Shares, the Calculation Agent will determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the relevant Share and, if so, will: (i) make corresponding adjustments, if any, to any one or more of the Initial Price of such Share, the formula for calculating the Share Return of such Share, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent determines appropriate to account for the dilutive or concentrative effect; and (ii) determine the effective date of any such adjustment. The Calculation Agent may (but need not) determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Share traded on such options exchange. Save as expressly provided herein, the Calculation Agent will make no adjustment in respect of any distribution of cash.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event in respect of a Share in the Basket has occurred and is continuing on any date that, but for that event, would be the Issue Date or the Valuation Date in respect of such Share, then that Issue Date or Valuation Date, as applicable, will be postponed to the next Business Exchange Day on which there is no Market Disruption Event in effect.

There will be a limit for postponement of any Issue Date and Valuation Date. If, on the eighth Business Day following the date originally scheduled as an Issue Date or Valuation Date, such Issue Date or Valuation Date, as applicable, has not occurred, then, subject as set forth below, notwithstanding the occurrence of any Market Disruption Event in respect of that Share on or after such eighth Business Day, the Calculation Agent may determine that:

(i) such eighth Business Day shall be the Issue Date or the Valuation Date, as applicable; and

(ii) the Closing Price of such Share for such Issue Date or Valuation Date, as applicable, shall be determined by the Calculation Agent, in its sole discretion, without any liability on the part of the Calculation Agent, taking into account all market circumstances considered by the Calculation Agent to be relevant, acting reasonably (the "MDE Formula").

A Market Disruption Event may delay the determination of a Share Return and, consequently, the calculation of Variable Return, if any, payable on the Maturity Date. In such circumstances, the Bank may delay such payment until the tenth Business Day after the Price Return has been determined.

Substitution Event

Upon the Calculation Agent becoming aware of the occurrence of a Substitution Event in respect of a Share in the Basket (the "Deleted Share"), the following will apply, effective on a date as determined by the Calculation Agent (the "Substitution Date"):

(i) any adjustments set out in "Description of the Notes — Special Circumstances — Potential Adjustment Event" in respect of such Share will not apply;

(ii) the Calculation Agent may choose (in its absolute discretion) a new share or unit (the "Replacement Share") of a large company or income trust listed on a major Canadian exchange as a substitute for such Deleted Share;

(iii) such Deleted Share will be deleted from the Basket and will not be considered as a Share for purposes of determining Variable Return, if any, on or after the Substitution Date;

(iv) the Replacement Share will be a Share in the Basket, the issuer of such Replacement Share will be the Company in respect of such Replacement Share and the primary exchange or market quotation system on which such Replacement Share is listed, quoted or traded, as determined by the Calculation Agent, will be the exchange in respect of such Replacement Share; and

(v) the Calculation Agent will determine, in its discretion, the Initial Price of such Replacement Share by taking into account all relevant market circumstances, including the Initial Price of such Deleted Share and the Closing Price or estimated value on the Substitution Date of the Deleted Share and the Closing Price or estimated value on the Substitution Date of the Replacement Share, and will make adjustments, if any, to any one or more of the formula for calculating the Share Return of such Replacement Share, or any other component or variable relevant to the determination of Variable Return, if any, as the Calculation Agent determines appropriate to account for the economic effect on the Notes of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends or other distributions, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing a Replacement Share, the Calculation Agent will promptly give details of such substitution and brief details of the Substitution Event to the Investors. For greater certainty, the Replacement Share chosen by the Calculation Agent may be any share or unit of a large company or income trust listed on a major Canadian exchange, and may be a company or income trust that was the continuing entity in respect of a Merger Event. The Calculation Agent may decide not to choose a Replacement Share as a substitute for a Deleted Share if the Calculation Agent determines that there are no appropriate shares or units of a large company or income trust listed, quoted or traded on a major Canadian exchange which offer sufficient liquidity in order for Scotia Capital to place, maintain or modify hedges in respect of such shares or units, in which case the Calculation Agent may declare an Extraordinary Event, with the consequences described under "Description of the Notes — Special Circumstances — Extraordinary Event". If the Calculation Agent decides not to choose a Replacement Share as a substitute for a Deleted Share and does not declare an Extraordinary Event, the Variable Return, if any, will be determined on or after the Substitution Date based on the remaining Shares in the Basket without any liability on the part of the Calculation Agent.

Merger Event and Tender Offer

On or after a Merger Date or Tender Offer Date in respect of a Share, the Calculation Agent may either: (i)(A) make adjustment(s), if any, to any one or more of the Initial Price of the relevant Share, the formula for calculating the Share Return of such Share, or any other component or variable relevant to the determination of Variable Return as the Calculation

Agent, in its sole discretion, deems appropriate to account for the economic effect on the Notes of the relevant Merger Event or Tender Offer, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange; and (B) determine the effective date of the adjustments; or (ii) if the Calculation Agent determines that no adjustments that it could make under paragraph (i) will produce a commercially reasonable result, the Calculation Agent may designate the relevant Merger Event or Tender Offer to be a Substitution Event in respect of the relevant Share.

Extraordinary Event

If the Calculation Agent determines that one or more Extraordinary Events have occurred, the Bank may, at its option upon notice to the Investors (the date specified in such notice being the "Extraordinary Event Notification Date"), elect to accelerate the determination of Variable Return, if any, on all outstanding Notes. Upon such election, Variable Return, if any, per Note will be determined and calculated by the Calculation Agent as of the Business Exchange Day immediately following the Extraordinary Event Notification Date, using the Final Price of each Share as of such date, subject to the following:

(i) if a Market Disruption Event is then in effect in respect of a Share, the Closing Price of that Share shall be determined in accordance with the MDE Formula; and

(ii) the Calculation Agent shall make such adjustments, if any, to the formula for calculating Variable Return as the Calculation Agent reasonably determines appropriate to account for the fact that, as a consequence of the occurrence and continuance of an Extraordinary Event, the Final Price is to be determined as of the Business Exchange Day following the Extraordinary Event Notification Date.

In the event of the early determination of the Variable Return, if any, as a consequence of the occurrence of an Extraordinary Event, the Bank may, at its option, elect to: (i) pay the Variable Return, if any, prior to the Maturity Date; or (ii) defer payment of the Variable Return, if any, until the Maturity Date. If the Bank elects to pay the Variable Return, if any, prior to the Maturity Date, payment will be made no later than the tenth Business Day after the Extraordinary Event Notification Date.

In no event will payment of the Principal Amount per Note be accelerated and it will remain due and payable only on the Maturity Date.

Form of the Notes

General

Each Note will be represented by a global Note representing the entire issuance of Notes. The Bank will issue Notes evidenced by certificates in definitive form to a particular Investor only in limited circumstances.

Global Note

The Bank will issue the registered Notes in a form of the fully registered global Note that will be deposited with a depositary (initially being CDS) and registered in the name of such depositary or its nominee in a denomination equal to the aggregate Principal Amount of the Notes. Unless and until it is exchanged in whole for Notes in definitive registered form, the registered global Note may not be transferred except as a whole by and among the depositary, its nominee or any successors of such depositary or nominee.

The Bank anticipates that the following provisions will apply to all arrangements in respect of a depositary.

Ownership of beneficial interests in a global Note will be limited to persons, called participants, that have accounts with the relevant depositary or persons that may hold interests through participants. Upon the issuance of a registered global Note, the depositary will credit, on its book-entry registration and transfer system, the participants' accounts with the respective Principal Amounts of the Notes beneficially owned by the participants. Any dealers participating in the distribution of the Notes will designate the accounts to be credited. Ownership of beneficial interests in a registered global Note will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depositary, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depositary, or its nominee, is the registered owner of a registered global Note, that depositary or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by the registered global Note for all purposes. Except as described below, owners of beneficial interests in a registered global Note will not be entitled to have the Notes represented by the registered global Note registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or holders of Notes. Accordingly, each person owning a beneficial interest in a registered global Note must rely on the procedures of the depositary for that registered global Note and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of an Investor. The Bank understands that under existing industry practices, if the Bank requests any action of holders or if an owner of a beneficial interest in a registered global Note desires to give or take any action that a holder is entitled to give or take in respect of the Notes, the depositary for the registered global Note would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners owning through them.

Payments on the Notes represented by a registered global Note registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global Note. The Bank will not have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global Note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

The Bank expects that the depositary for any of the Notes represented by a registered global Note, upon receipt of any payment on the Notes, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global Note as shown on the records of the depositary. The Bank also expects that payments by participants to owners of beneficial interests in a registered global Note held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

Definitive Notes

If the depositary for any of the Notes represented by a registered global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depositary, and a successor depositary is not appointed by the Bank within 90 days, the Bank will issue Notes in definitive form in exchange for the registered global Note that had been held by the depositary.

In addition, the Bank may at any time and in its sole discretion decide not to have any of the Notes represented by one or more registered global Notes. If the Bank makes that decision, the Bank will issue Notes in definitive form in exchange for all of the registered global Notes representing the Notes.

Except in the circumstances described above, beneficial owners of the Notes will not be entitled to have any portions of such Notes registered in their name, will not receive or be entitled to receive physical delivery of the Notes in certificated, definitive form and will not be considered the owners or holders of a global Note.

Any Notes issued in definitive form in exchange for a registered global Note will be registered in the name or names that the depositary gives to the Bank or its agent, as the case may be. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global Note that had been held by the depositary.

The text of any Notes issued in definitive form will contain such provisions as the Bank may deem necessary or advisable. The Bank will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Bank, or at such other offices notified by the Bank to Investors.

No transfer of a definitive Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank or its agent, and upon compliance with such reasonable conditions as may be required by the Bank or its agent and with any requirement imposed by law, and entered on the register.

Payments on a definitive Note will be made by cheque mailed to the applicable registered Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Investor at least five Business Days before the date of the payment and agreed to by the Bank, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Note is conditional upon the Investor first delivering the Note to the Bank, which reserves the right, in the case of payment of Variable Return prior to the Maturity Date, to mark on the Note that Variable Return has been paid in full, or, in the case of payment of Variable Return and the Principal Amount under the Note in full, to retain the Note and mark the Note as cancelled.

Deferred Payment

Notwithstanding anything contained in this Information Statement, when payment of the Variable Return is to be made to an Investor, payment of a portion of such payment may be deferred to ensure compliance with the provisions of applicable federal laws of Canada which preclude payments of interest or other amounts for the advancing of credit at an effective annual rate of interest in excess of 60%. Interest will be paid on any deferred payment at the time such payment is made calculated at the rate posted by the Bank at the relevant date for such payment, for term deposits maturing as close as possible to the date of the deferred payment, provided however, that in no event will the Bank be obliged to make any payment (whether or not such payment would otherwise be deferred as aforesaid) if such legislation would otherwise be contravened.

Status

The Notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* among themselves with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). **Investors will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.**

Currency Risk

The Notes have no direct foreign currency exposure.

Credit Rating

The Notes have not been rated. As of the date of this Information Statement, the Bank's deposit liabilities with a term of more than one year were rated AA by DBRS, AA− by S&P, AA− by Fitch and Aa1 by Moody's. There can be no assurance that if the Notes were specifically rated by these rating agencies that they would have the same rating as such other deposit liabilities. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.**

Dealings in Shares

The Bank may from time to time, in the course of its normal business operations, hold Shares or interests linked to any Share or Company. The Bank and its affiliates may also deal in the securities of each Company (including Shares) and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Company or any other person or entity having obligations relating to such Company and may engage in proprietary trading in the Shares or in options, futures or derivatives relating to the Shares (including such trading as the Bank may deem appropriate, in its discretion, to hedge any risk in connection with the Notes) and may act with respect thereto in the same manner as it would if the Notes did not exist, regardless of whether any such action might have an adverse effect on the value of any Shares and, thus, the Variable Return, if any, payable in respect of the Notes. There is no assurance that any such actions by the Bank and its affiliates will not have an adverse effect on the value of any Shares and, thus, the Variable Return, if any, payable in respect of the Notes. The Bank and its affiliates may, whether by virtue of the relationships described above or otherwise, from time to time be in possession of information in relation to any Company that may not be publicly available or known to Investors, and the Notes do not create an obligation on the part of the Bank or its affiliates to disclose to Investors such relationship or such information (whether or not confidential).

Notification

All notices to Investors regarding the Notes will be given: (i) by wire or fax to the applicable depositary (initially being CDS); or (ii) in the case where the Notes are directly registered in the Investors' names and issued in definitive form, by mail or other form of delivery selected by the Bank to the registered addresses of the Investors; provided, however, that any required notice of an Extraordinary Event will also be published in the Toronto and national editions of a major daily English language Canadian newspaper with national circulation and in a daily French language newspaper of general circulation in Montreal.

Amendments to the Notes

The terms of the Notes may be amended without the consent of the Investors by the Bank if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the Investors. If an amendment is made without the consent of Investors, notice of such amendment will be provided to Investors prior to the amendment becoming effective or without delay afterwards. In other cases, the terms of the Notes may be amended if the Bank proposes the amendment and if the amendment is approved by a resolution passed by the favourable votes of the Investors holding not less than $66^2/_3$% of the Principal Amount of the Notes represented at a meeting convened for the purpose of considering the resolution. The quorum for a meeting of holders is at least two holders represented in person or by proxy holding at least 10% of the Principal Amount of the Notes outstanding. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting will be adjourned to another day, not less than 10 days or more than 21 days later, selected by the Bank and notice will be given to the Investors of such adjourned meeting. The Investors present at the adjourned meeting will constitute a quorum. Each Investor is entitled to one vote per Note held by such holder for the purposes of voting at meetings.

The Notes do not carry the right to vote in any other circumstances.

Investors' Right of Cancellation

A person may cancel any order to buy a Note (or its purchase if issued) by providing instructions to the Bank through his or her investment advisor at any time up to 48 hours after the later of: (i) the day on which the agreement to purchase the Notes is entered into; and (ii) deemed receipt of this Information Statement. For all purposes, the agreement to purchase the Notes shall be deemed to be entered into: (i) if the order to purchase is received by telephone or electronic means, on the same day on which the order to purchase is received; and (ii) if the order to purchase is received in person, on the later of 48 hours following: (a) the date of deemed receipt of this Information Statement; and (b) the day on which the order to purchase is received.

A person will be deemed to have received the Information Statement: (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

A person cancelling the purchase of a Note is entitled to receive a refund of the Principal Amount, if any, deposited by the person to purchase the Note and any fees relating to the purchase that may have been paid by such person. The right of cancellation does not extend to Investors buying Notes in the secondary market.

PLAN OF DISTRIBUTION

Each Note will be issued for a subscription price of 100% of the Principal Amount thereof ($100.00 per Note). The subscription price was determined by negotiation between the Bank and the Selling Agent. **The Selling Agent is a wholly owned subsidiary of the Bank. As a result, the Bank is a related and connected issuer of the Selling Agent under applicable Canadian securities legislation.**

The closing of the Offering is scheduled to occur on or about February 3, 2012. The Bank may, at any time prior to the Issue Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Notes. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon acceptance of a subscription, the Selling Agent will deliver or cause to be delivered a confirmation of acceptance by prepaid mail or other means of delivery to the subscriber. For all purposes, the agreement to purchase the Notes shall be deemed to be entered into: (i) if the order to purchase is received by telephone or electronic means, on the same day on which the order to purchase is received; and (ii) if the order to purchase is received in person, on the later of 48 hours following: (a) the date of deemed receipt of this Information Statement; and (b) the day on which the order to purchase is received. If for any reason the closing of the Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

The Bank will pay selling expenses of $2.50 per Note to qualified selling group members for selling the Notes. The selling expenses will be paid out of the proceeds of the Offering. The Selling Agent may form a sub-agency group including other qualified selling members and determine the fee payable to the members of such group, which fee will be paid by the Selling Agent out of its own funds. While the Selling Agent has agreed to use its best efforts to sell the Notes offered hereby, the Selling Agent will not be obligated to purchase any Notes which are not sold. For greater certainty, the Selling Agent may purchase Notes offered hereby as principal.

A global Note for the full amount of the Offering will be issued in registered form to CDS and will be deposited with CDS on the Issue Date. Subject to certain exceptions, certificates evidencing the Notes will not be available to Investors under any circumstances and registration of interests in and transfer of Notes will be made through the Book-Entry System of CDS. See "Description of the Notes — Form of the Notes".

In connection with the issue and sale of the Notes by the Bank, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement or the global Note and the Bank does not accept responsibility for any information not contained herein or therein. This Information Statement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The Notes have not, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any State securities laws and, subject to certain exceptions, may not be offered for sale, sold or delivered, directly or indirectly, in the United States, its territories or possessions or to or for the account or benefit of U.S. persons within the meaning of Regulation S under the 1933 Act. In addition, the Notes may not be offered or sold to residents of any jurisdiction or country in Europe.

Dealers may from time to time purchase and sell Notes in any available secondary market but are not obligated to do so. The offering price and other selling terms for such sales in a secondary market may, from time to time, be varied by such dealers.

The Bank reserves the right to issue additional Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by the Bank concurrently with the Notes.

FUNDSERV

General

Some Investors may purchase Notes through dealers and other firms on the FundSERV Inc. ("FundSERV") network, which facilitates order flow. The following FundSERV information is pertinent for such Investors. Investors should consult with their financial advisors as to whether their Notes have been purchased through the FundSERV network and to obtain further information on FundSERV procedures applicable to those Investors.

Where an Investor's purchase order for Notes is effected by a dealer or other firm through the FundSERV network, such dealer or other firm may not be able to accommodate a purchase of Notes through certain registered plans for purposes of the Act. Investors should consult their financial advisors as to whether their orders for Notes will be made through the FundSERV network and any limitations on their ability to purchase Notes through certain registered plans.

The FundSERV network is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products (including brokers and dealers who sell investment funds, companies who administer registered plans that include investment funds and companies who sponsor and sell financial products) with online order access to such financial products. The FundSERV network was originally designed and is operated as a mutual fund communications network facilitating the members in electronically placing, clearing and settling mutual fund orders. In addition, the FundSERV network is currently used in respect of other financial products that may be sold by financial planners, such as the Notes. The FundSERV network enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

FundSERV-Enabled Notes Held Through Scotia Capital Inc., a CDS Participant

As stated above, all Notes will initially be issued in the form of a fully registered global Note that will be deposited with CDS. Notes purchased through the FundSERV network ("FundSERV-enabled Notes") will also be evidenced by that global Note, as are all other Notes. See "Description of the Notes — Form of the Notes" above for further details on CDS as a depositary and related matters with respect to the global Note. Investors holding FundSERV-enabled Notes will therefore have an indirect beneficial interest in the global Note. That beneficial interest will be recorded in CDS as being owned by Scotia Capital Inc., as a direct participant in CDS. Scotia Capital Inc. will in turn record in its records respective beneficial interests in the FundSERV-enabled Notes. An Investor should understand that Scotia Capital Inc. will make such recordings as instructed through the FundSERV network by the Investor's financial advisor.

Purchase Through a Distributor on the FundSERV Network

In order to complete the purchase of FundSERV-enabled Notes issued by the Bank, orders must be placed via FundSERV before 1:00 p.m. (Toronto time) on the last day of the selling period and the full subscription price (i.e., the aggregate Principal Amount therefor) must be delivered to the Selling Agent in immediately available funds by no later than the Issue Date. Despite delivery of such funds, the Selling Agent reserves the right not to accept any offer to purchase FundSERV-enabled Notes. If FundSERV-enabled Notes are not issued to the person who has delivered such funds, such funds will be returned forthwith and no interest or other compensation will be paid to such person on such funds.

Sale Through a Distributor on the FundSERV Network

An Investor wishing to sell FundSERV-enabled Notes prior to the Maturity Date is subject to certain procedures and limitations to which an Investor holding Notes through a "full service broker" with direct connections to CDS may not be subject. Any Investor wishing to sell a FundSERV-enabled Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. An Investor must sell FundSERV-enabled Notes by using the "redemption" procedures of the FundSERV network; any other sale or redemption is not possible. Accordingly, an Investor will not be able to negotiate a sales price for FundSERV-enabled Notes. Instead, the financial advisor for the Investor will need to initiate an irrevocable request to "redeem" the FundSERV Note in accordance with the then established procedures of the FundSERV network. Generally, this will mean the financial advisor will need to initiate such request by 1:00 p.m. (Toronto time) on a Business Day (or such other time as may hereafter be established by the FundSERV network). Any request received after such time will be deemed to be a request sent and received on the next following Business Day. Sale of the FundSERV-enabled Note will be effected at a sale price equal to (i) the Bid Price of a Note as of the close of business on the applicable Business Day as posted to FundSERV network by Scotia Capital Inc., minus (ii) any applicable Early Trading Charge (as outlined under "Description of the Notes — Early Trading Charge"). The Investor should be aware that, although the "redemption" procedures of the FundSERV network would be utilized, the FundSERV-enabled Notes of the Investor will not be redeemed by the Selling Agent but rather will be sold in the secondary market to the Selling Agent. In turn, the Selling Agent will be able in its discretion to sell those FundSERV-enabled Notes to other parties at any price and to hold them in its inventory.

Investors should also be aware that from time to time such "redemption" mechanism to sell FundSERV-enabled Notes may be suspended for any reason without notice, thus effectively preventing Investors from selling their FundSERV-enabled Notes. Potential investors requiring liquidity should carefully consider this possibility before purchasing FundSERV-enabled Notes.

The Selling Agent is the "fund sponsor" for the FundSERV-enabled Notes within the FundSERV network. It is required to post the Bid Price for the FundSERV-enabled Notes on a daily basis, which Bid Price may also be used for valuation purposes in any statement sent to Investors. See the second paragraph under the heading "Description of the Notes — Secondary Trading of Notes" for some of the factors that will determine the Bid Price of the Notes at any time. The sale price will actually represent the Selling Agent's Bid Price for the Notes as of the close of business for the applicable Business Day less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest bid price possible in any secondary market for the Notes, but will represent the Selling Agent's Bid Price generally available to all Investors as at the relevant close of business, including clients of the Selling Agent.

An Investor holding FundSERV-enabled Notes should realize that such FundSERV-enabled Notes may not be transferable to another dealer, if the Investor were to decide to move his or her investment account to such other dealer. In that event, the Investor would have to sell the FundSERV-enabled Notes pursuant to the procedures outlined above.

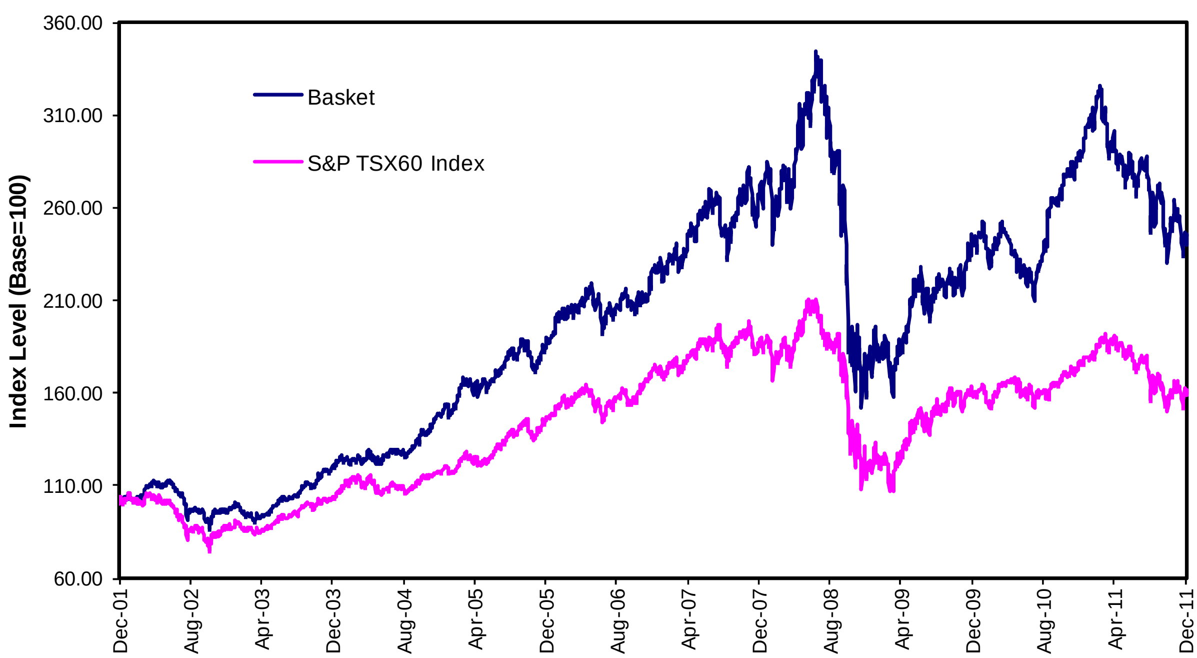
CALCULATION AGENT

Scotia Capital will be the Calculation Agent with regard to the Notes. The Calculation Agent will act independently and not as an agent of the Bank or the Investors. The Calculation Agent will be solely responsible for the determination and calculation of the Share Returns, the Price Return, the Variable Return, if any, as well as for making certain other determinations with regard to the Notes and the Basket. All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, wilful default or bad faith, be conclusive for all purposes and binding upon Investors, without any liability on the Calculation Agent's, the Selling Agent's or the Bank's part, and Investors or any third party will not be entitled to any compensation from the Calculation Agent, the Selling Agent or the Bank for any loss suffered as a result of any of the Calculation Agent's determinations and calculations. The Calculation Agent is obligated to carry out its duties and functions in good faith and using its reasonable judgment. The Calculation Agent may have an economic interest adverse to those of Investors, including with respect to the Bank's hedging arrangements with respect to the Notes and with respect to certain determinations that the Calculation Agent must make, such as determining the Share Returns, the Price Return, the Variable Return, if any, whether a Market Disruption Event or an Extraordinary Event has occurred and in making other determinations with respect to the Notes.

THE BASKET

The following chart shows the Basket's historical daily performance measured against the S&P/TSX 60 Index from December 3, 2001 through December 8, 2011. As of December 8, 2011, the average 12-month dividend yield for the 12-month period ended December 8, 2011 of the Basket was 2.92%, which would represent aggregate dividends of 14.60% over the term of the Notes, assuming the dividend yield remains constant and the dividends are not reinvested. **The Variable Return, if any, paid on the Notes will not reflect any dividends or other distributions declared or paid on the Shares. The chart is a record of historical performance only and should not be taken as an indication or estimate or the future performance of either the Basket or the Notes.**

Historical Price Returns of the Basket



Source: Bloomberg

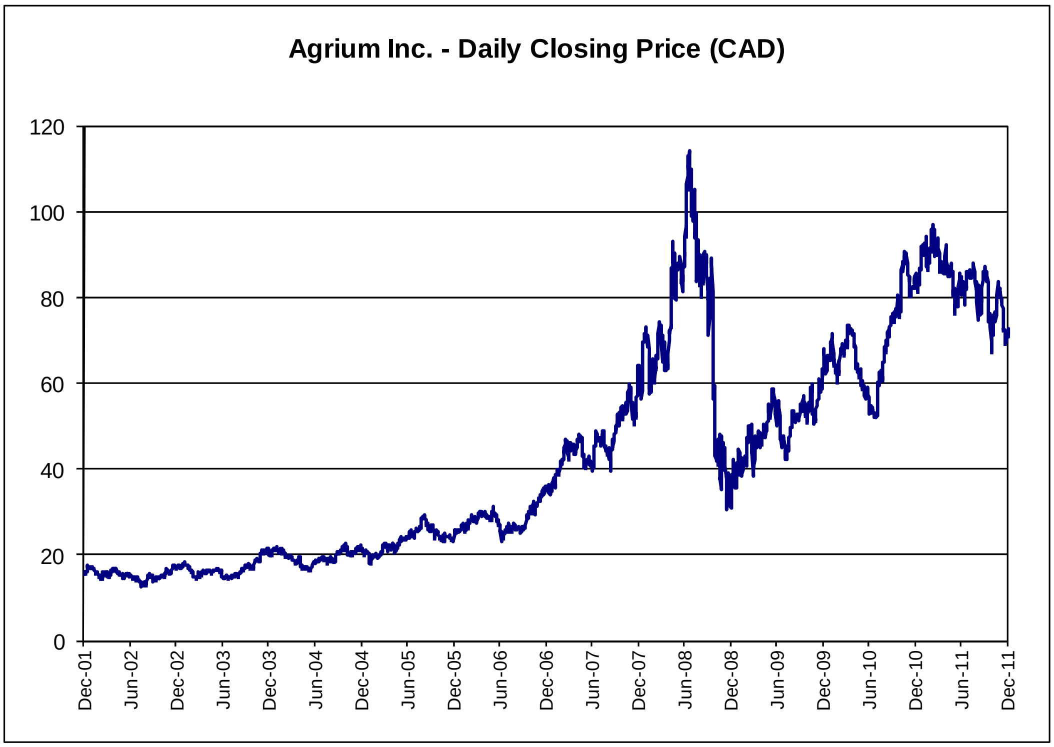
THE SHARES AND THE COMPANIES

All information in this Information Statement relating to the Shares and the Companies is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither the Bank, the Selling Agent nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information or for any material contained on the websites of the various Companies referred to herein, which website information is not incorporated by reference into, or deemed to be a part of, this Information Statement. The charts show historical Closing Prices of the various Shares from and including December 3, 2001 to and including December 8, 2011. **Historical performance of the Shares is not indicative of the future performance of the Shares, the Basket or the Notes, which is impossible to predict.**

Agrium Inc.

Agrium Inc. supplies nitrogen, potash and phosphate for agricultural, industrial and specialty use. The company operates throughout the Americas and markets its products globally. Agrium Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol AGU. As at December 8, 2011, the market capitalization was approximately 11.01 billion Canadian dollars.

Further information concerning Agrium Inc. can be sourced by Investors at http://www.agrium.com.



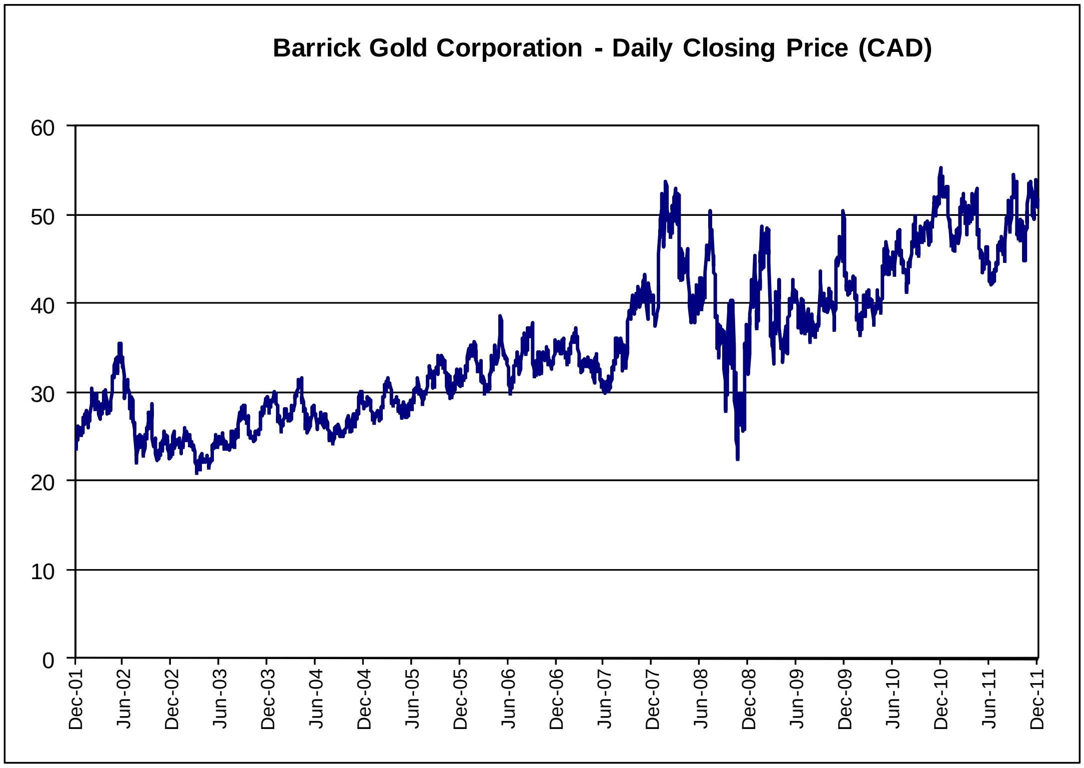
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was \$12.66 on July 19, 2002 and the highest Closing Price was \$114.08 on June 23, 2008. The starting Closing Price was \$15.98 on December 3, 2001 and the ending Closing Price was \$70.70 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Barrick Gold Corporation

Barrick Gold Corporation is an international gold company with operating mines and development projects in the United States, Canada, South America, Australia and Africa. Barrick Gold Corporation is listed on the Toronto Stock Exchange (TSX) under the symbol ABX. As at December 8, 2011, the market capitalization was approximately 50.58 billion Canadian dollars.

Further information concerning Barrick Gold Corporation can be sourced by Investors at http://www.barrick.com.



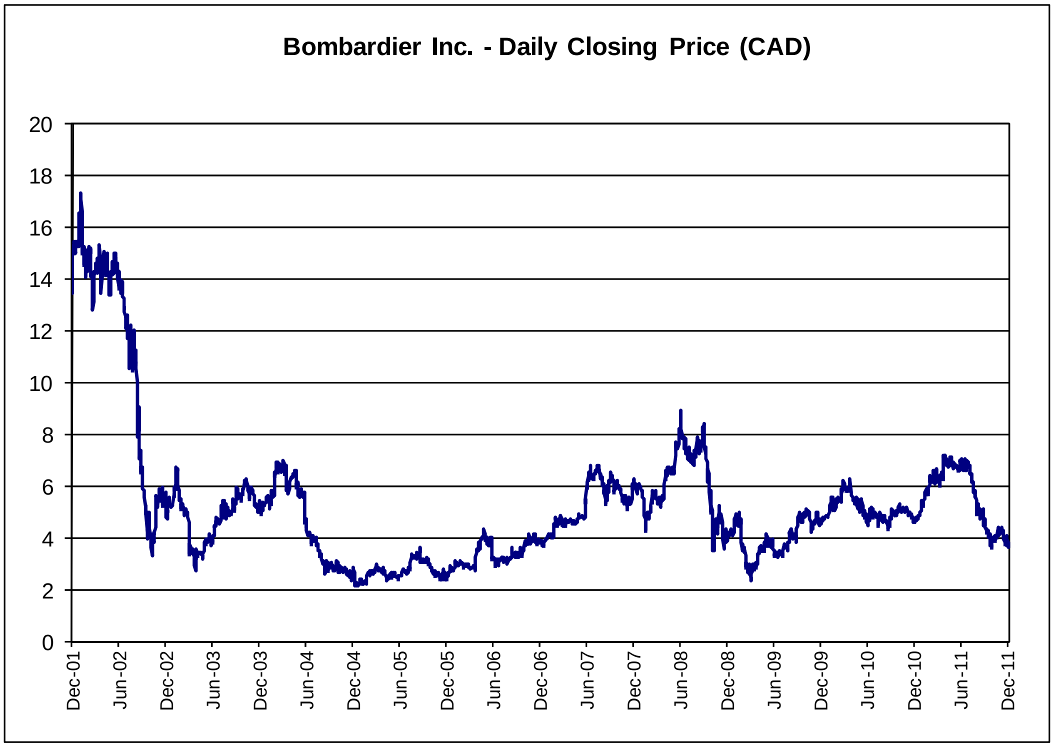
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was \$20.90 on March 13, 2003 and the highest Closing Price was \$55.25 on December 6, 2010. The starting Closing Price was \$24.10 on December 3, 2001 and the ending Closing Price was \$50.82 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Bombardier Inc.

Bombardier Inc. operates in the fields of aerospace, rail transportation equipment, financial services, and services related to its products and core business. Bombardier Inc. operates plants in North America, Europe and Asia. Bombardier Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol BBD/B. As at December 8, 2011, the market capitalization was approximately 6.49 billion Canadian dollars.

Further information concerning Bombardier Inc. can be sourced by Investors at http://www.bombardier.com.



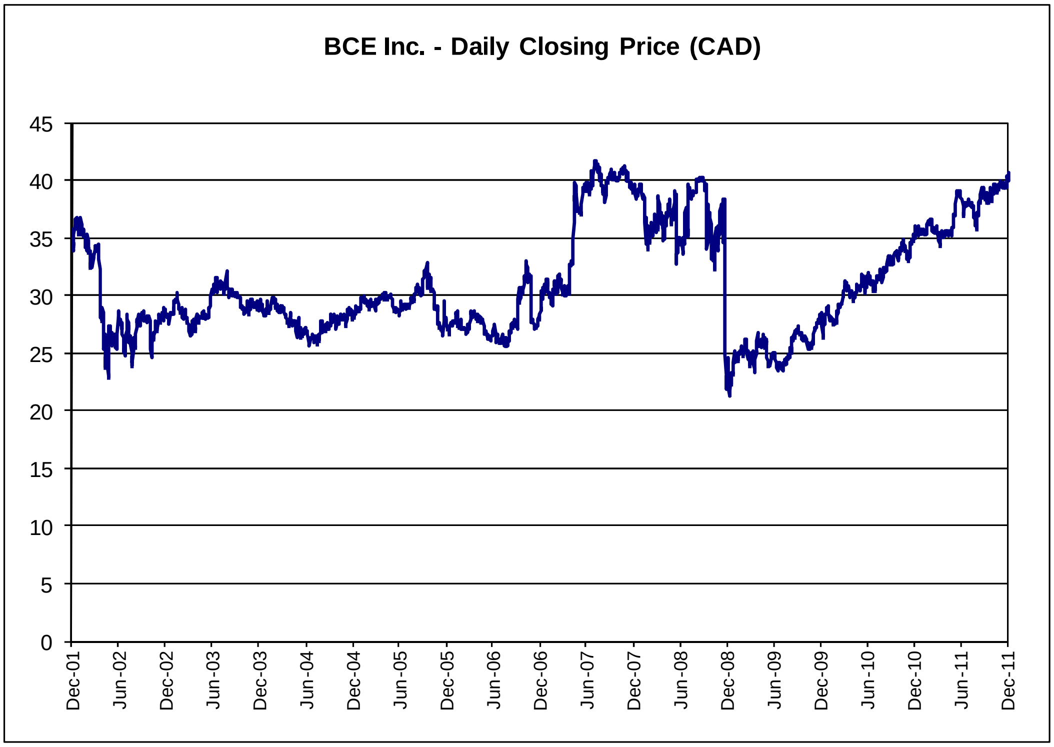
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $2.11 on December 13, 2004 and the highest Closing Price was $17.30 on January 4, 2002. The starting Closing Price was $13.40 on December 3, 2001 and the ending Closing Price was $3.59 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

BCE Inc.

BCE Inc. provides a full range of communication services to residential and business customers in Canada. The Company's services include local, long distance and wireless phone services, high speed and wireless Internet access, IP-broadband services, value-added business solutions and direct-to-home satellite and VDSL television services. BCE Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol BCE. As at December 8, 2011, the market capitalization was approximately 31.45 billion Canadian dollars.

Further information concerning BCE Inc. can be sourced by Investors at http://www.bce.ca.



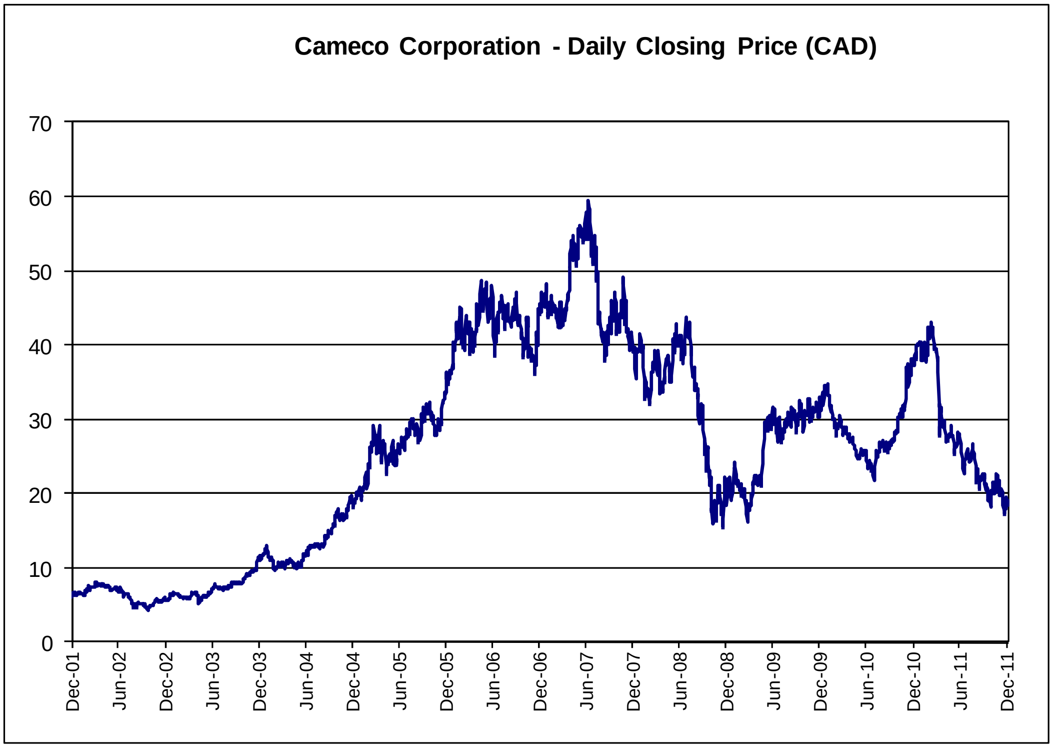
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $21.23 on December 12, 2008 and the highest Closing Price was $41.74 on July 6, 2007. The starting Closing Price was $35.12 on December 3, 2001 and the ending Closing Price was $40.60 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Cameco Corporation

Cameco Corporation explores for, develops, mines, refines, converts and fabricates uranium for sale as fuel for generating electricity in nuclear power reactors in Canada and other countries. Cameco Corporation also operates the Bruce B nuclear reactors in Ontario as well as explores for, develops, mines and sells gold through a subsidiary. Cameco Corporation is listed on the Toronto Stock Exchange (TSX) under the symbol CCO. As at December 8, 2011, the market capitalization was approximately 7.35 billion Canadian dollars.

Further information concerning Cameco Corporation can be sourced by Investors at http://www.cameco.com.



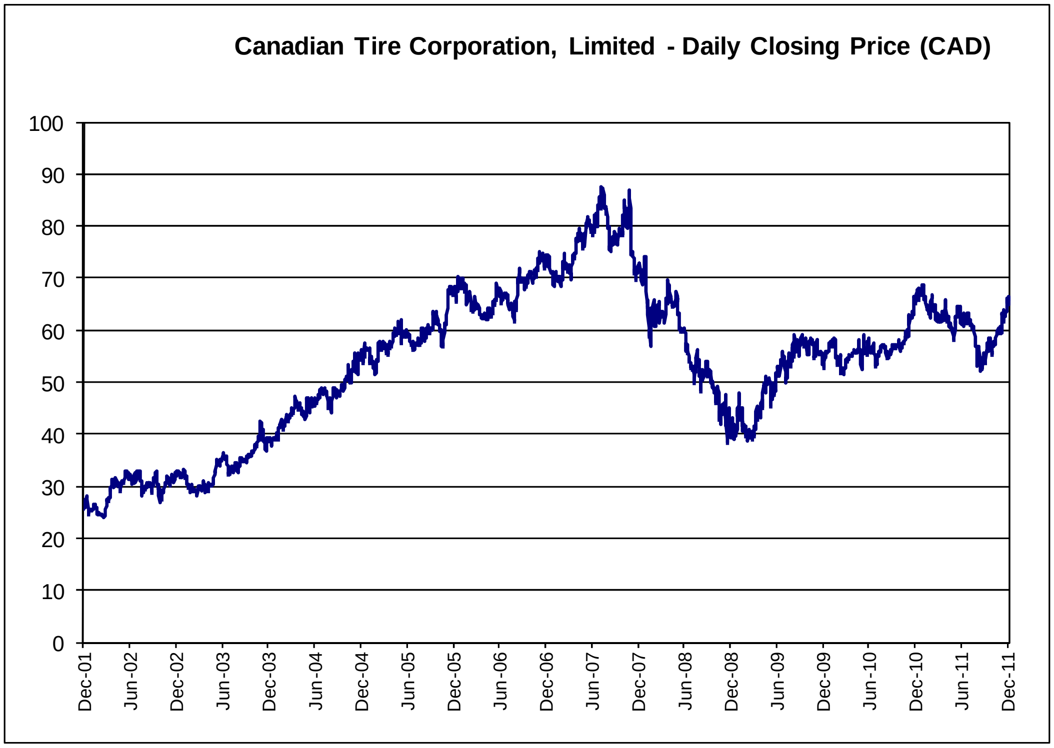
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was \$4.27 on September 25, 2002 and the highest Closing Price was \$59.46 on June 15, 2007. The starting Closing Price was \$6.08 on December 3, 2001 and the ending Closing Price was \$18.40 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Canadian Tire Corporation, Limited

Canadian Tire Corporation, Limited offers a variety of products and services. The Company through Canadian Tire Retail and the Associate Dealers, retails automotive, sports and leisure, and home products. Canadian Tire Financial Services manages related financial products and services for retail and petroleum customers. Canadian Tire Petroleum retails gasoline. Canadian Tire Corporation, Limited is listed on the Toronto Stock Exchange (TSX) under the symbol CTC/A. As at December 8, 2011, the market capitalization was approximately 5.30 billion Canadian dollars.

Further information concerning Canadian Tire Corporation, Limited can be sourced by Investors at http://www.canadiantire.ca.



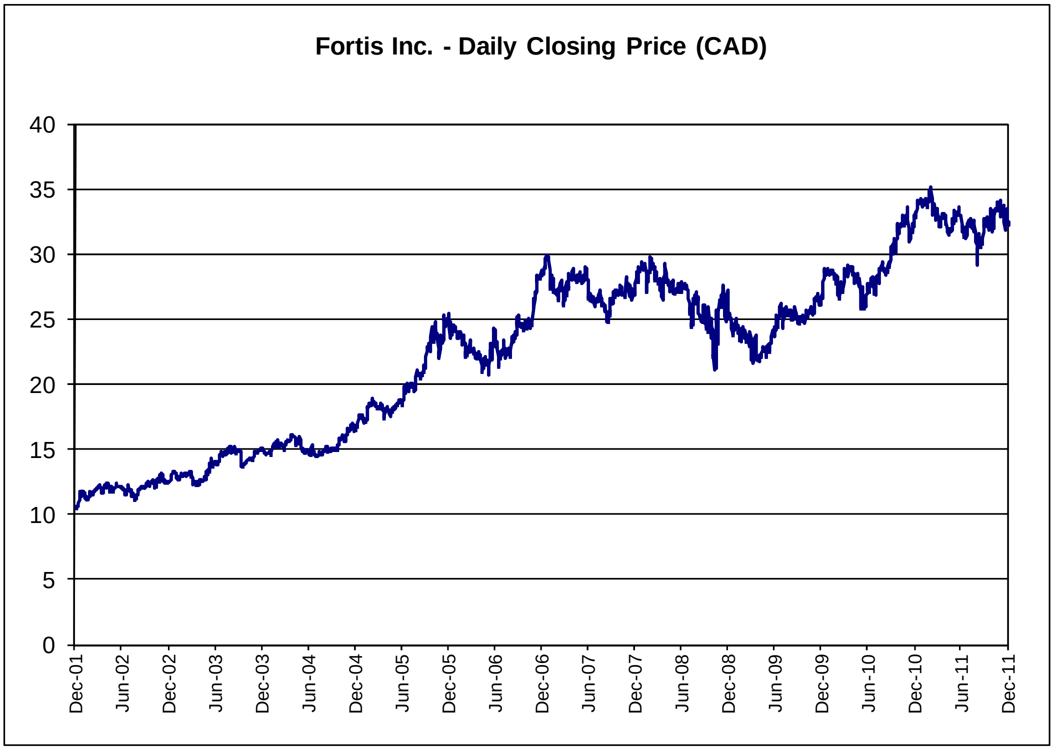
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $24.05 on February 22, 2002 and the highest Closing Price was $87.50 on July 13, 2007. The starting Closing Price was $25.70 on December 3, 2001 and the ending Closing Price was $64.92 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Fortis Inc.

Fortis Inc. is a distribution utility company. Its holdings include electric utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. It owns non-regulated hydroelectric generation assets across Canada and in Belize and New York State. Fortis Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol FTS. As at December 8, 2011, the market capitalization was approximately 6.03 billion Canadian dollars.

Further information concerning Fortis Inc. can be sourced by Investors at http://www.fortisinc.com.



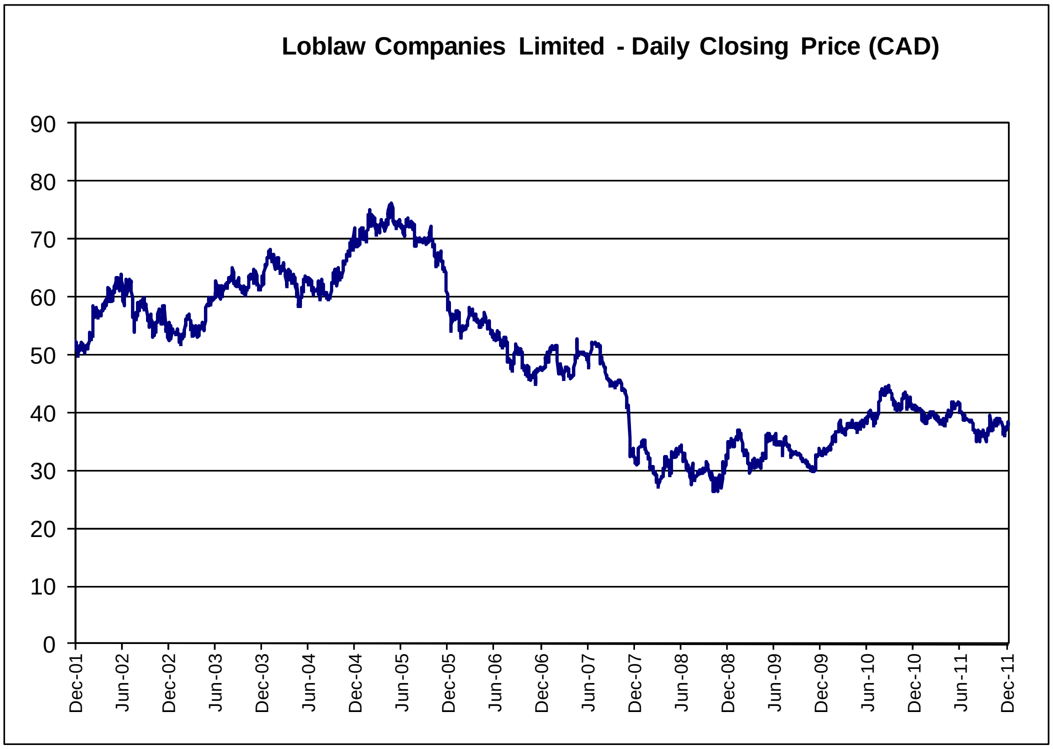
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $10.44 on December 6, 2001 and the highest Closing Price was $35.15 on February 7, 2011. The starting Closing Price was $10.53 on December 3, 2001 and the ending Closing Price was $32.50 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Loblaw Companies Limited

Loblaw Companies Limited is a retail and wholesale food distributor with operations across Canada. The Company's operations include both company and franchisee operated stores, warehouses, and cash and carry outlets. Loblaw Companies Limited is listed on the Toronto Stock Exchange (TSX) under the symbol L. As at December 8, 2011, the market capitalization was approximately 10.82 billion Canadian dollars.

Further information concerning Loblaw Companies Limited can be sourced by Investors at http://www.loblaw.com.



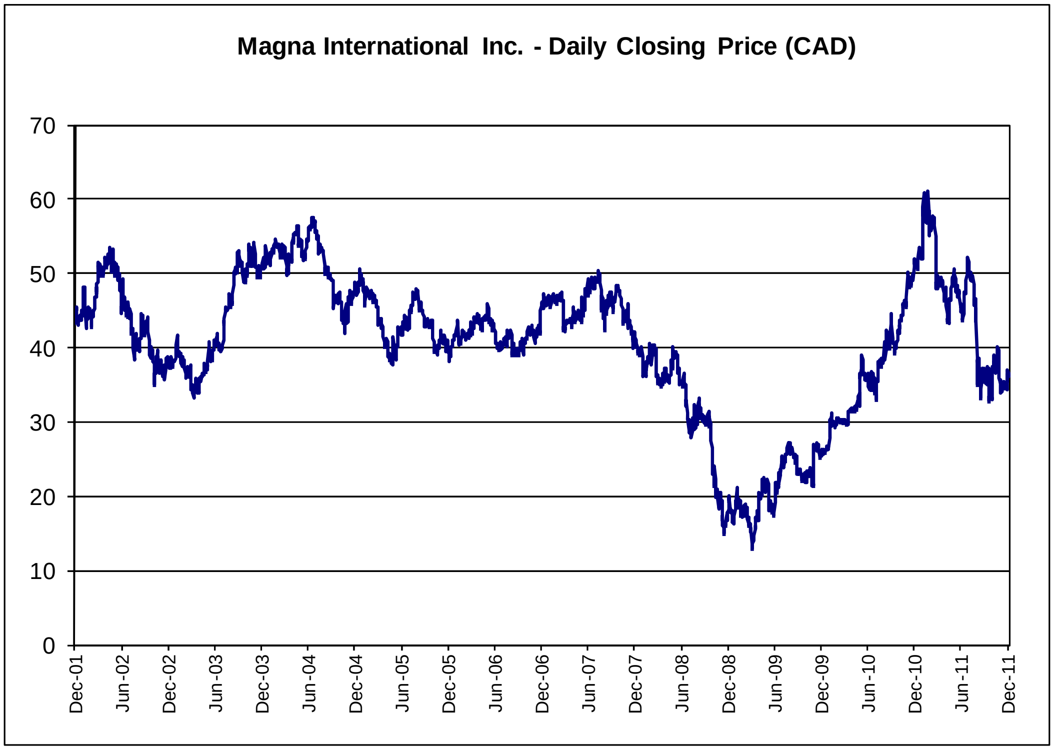
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $26.26 on October 27, 2008 and the highest Closing Price was $76.34 on April 29, 2005. The starting Closing Price was $52.50 on December 3, 2001 and the ending Closing Price was $37.91 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Magna International Inc.

Magna International Inc. designs, develops and manufactures automotive systems assemblies and components, and engineers and assembles complete vehicles. The Company sells its products primarily to original equipment manufacturers. Magna International Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol MG. As at December 8, 2011, the market capitalization was approximately 8.76 billion Canadian dollars.

Further information concerning Magna International Inc. can be sourced by Investors at http://www.magnaint.com.



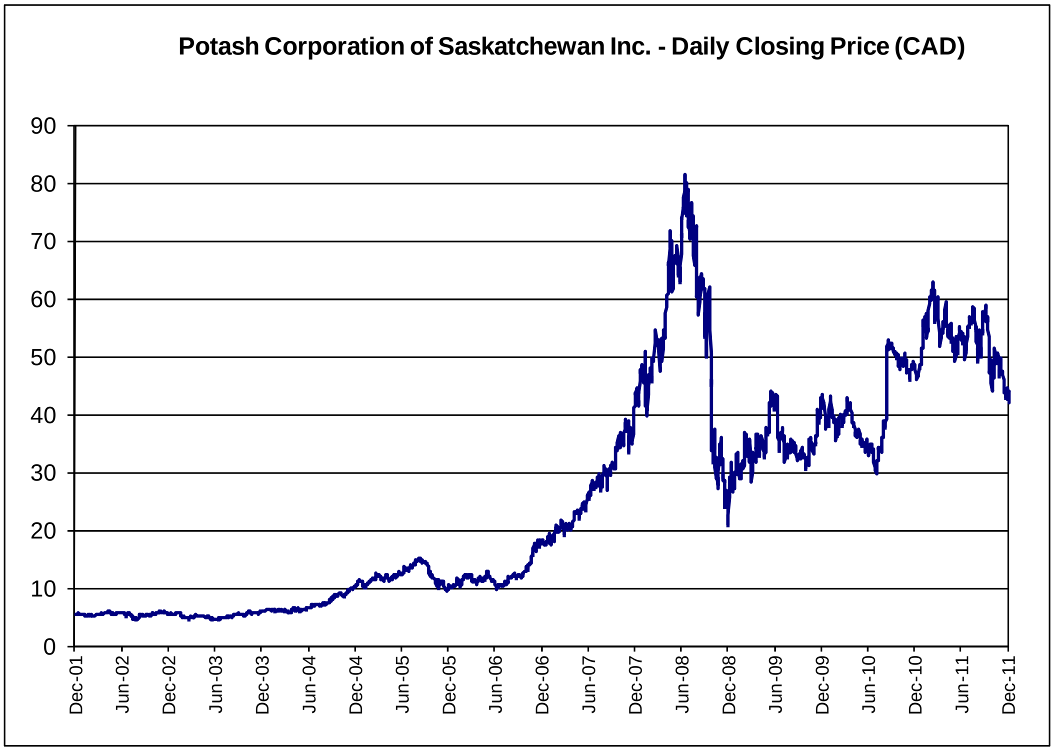
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $12.97 on March 9, 2009 and the highest Closing Price was $61.19 on January 27, 2011. The starting Closing Price was $43.27 on December 3, 2001 and the ending Closing Price was $36.19 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Potash Corporation of Saskatchewan Inc.

Potash Corporation of Saskatchewan Inc. produces potash, phosphate, and nitrogen for the agricultural and industrial industries worldwide. The Company conducts operations in Canada, Chile, the United States, Brazil and Trinidad. Potash Corporation of Saskatchewan Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol POT. As at December 8, 2011, the market capitalization was approximately 35.07 billion Canadian dollars.

Further information concerning Potash Corporation of Saskatchewan Inc. can be sourced by Investors at http://www.potashcorp.com.



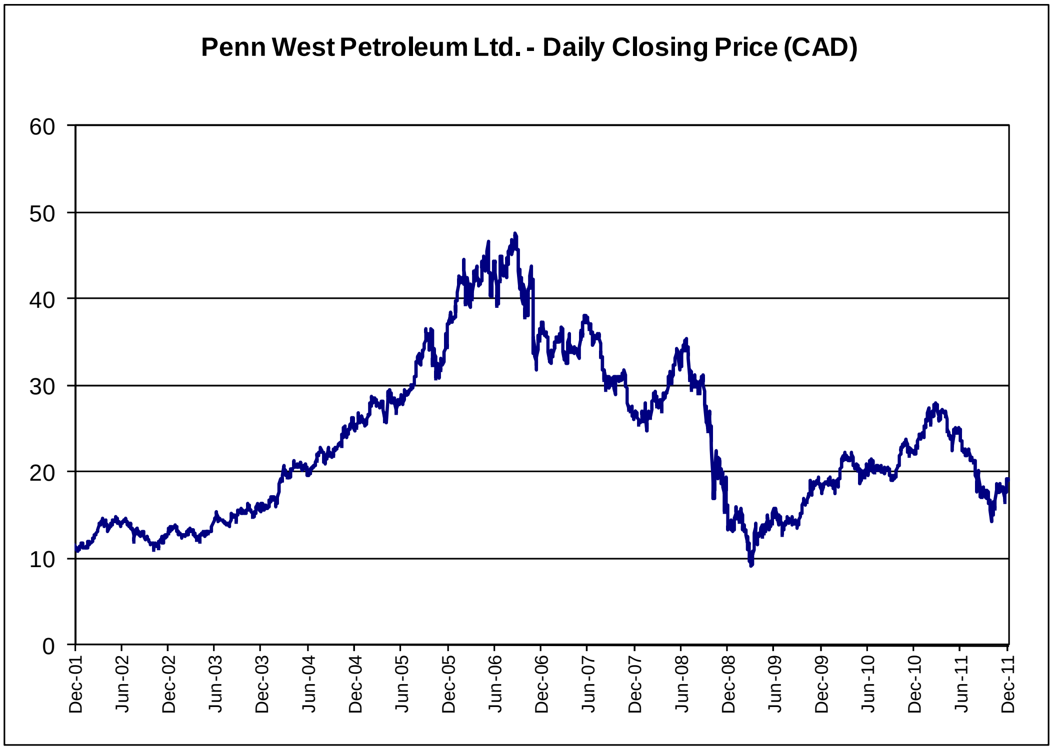
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $4.53 on August 2, 2002 and the highest Closing Price was $81.34 on June 17, 2008. The starting Closing Price was $5.37 on December 3, 2001 and the ending Closing Price was $41.96 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Penn West Petroleum Ltd.

Penn West Petroleum Ltd. explores for oil and natural gas. Penn West Petroleum Ltd. primarily operates in the Western Canadian Sedimentary Basin and is one of the largest conventional oil and gas producers in Canada. Penn West Petroleum Ltd. has a dominant position in light oil. Penn West Petroleum Ltd. is listed on the Toronto Stock Exchange (TSX) under the symbol PWT. As at December 8, 2011 the market capitalization was approximately 9.04 billion Canadian dollars.

Further information concerning Penn West Petroleum Ltd. can be sourced by Investors at http://www.pennwest.com.



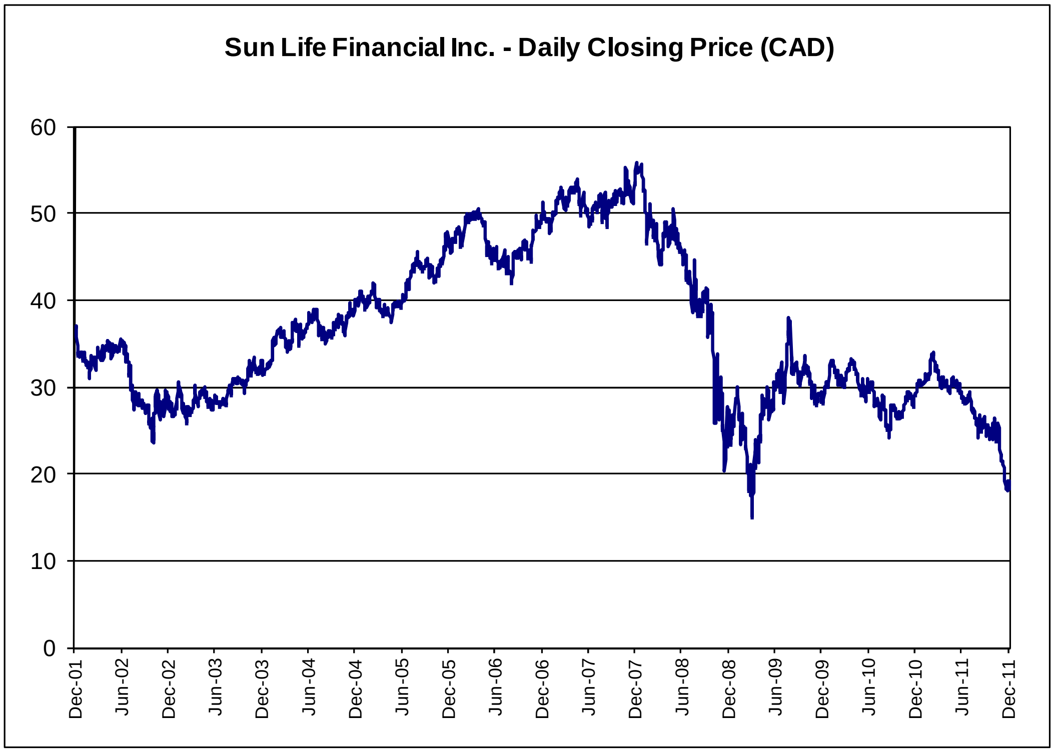
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $9.21 on March 6, 2009 and the highest Closing Price was $47.68 on August 25, 2006. The starting Closing Price was $11.56 on December 3, 2001 and the ending Closing Price was $19.00 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Sun Life Financial Inc.

Sun Life Financial Inc. is an international financial services organization providing a diverse range of wealth accumulation and protection products and services. Sun Life Financial Inc. provides insurance, mutual funds, annuities, pensions, investment management, trust services, and banking services. Sun Life Financial Inc. serves individuals and corporate customers worldwide. Sun Life Financial Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol SLF. As at December 8, 2011, the market capitalization was approximately 10.81 billion Canadian dollars.

Further information concerning Sun Life Financial Inc. can be sourced by Investors at http://www.sunlife.com.



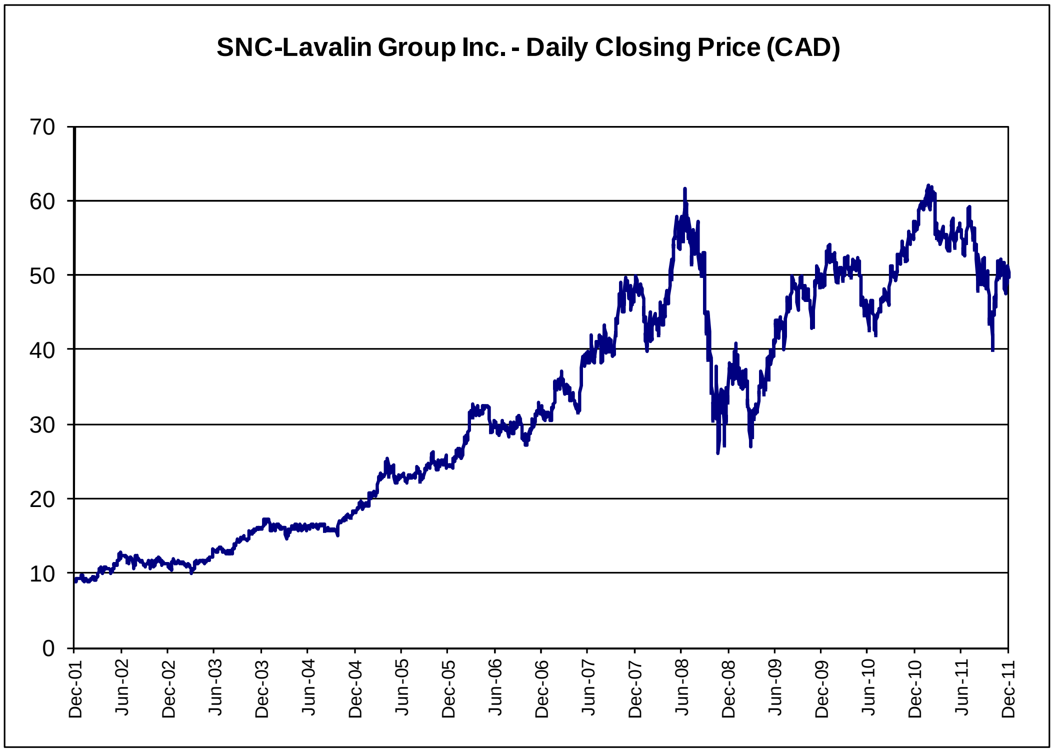
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $15.00 on March 9, 2009 and the highest Closing Price was $55.79 on December 10, 2007. The starting Closing Price was $35.94 on December 3, 2001 and the ending Closing Price was $18.28 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

SNC-Lavalin Group Inc.

SNC-Lavalin Group Inc., through its subsidiaries, is active in the engineering, construction, and manufacturing sectors. SNC-Lavalin Group Inc. provides engineering, procurement, project management, and project financing services in the power, industrial, transport, infrastructure, buildings, telecommunications, defence and environment sectors. SNC-Lavalin Group Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol SNC. As at December 8, 2011, the market capitalization was approximately 7.48 billion Canadian dollars.

Further information concerning SNC-Lavalin Group Inc. can be sourced by Investors at http://www.snclavalin.com.



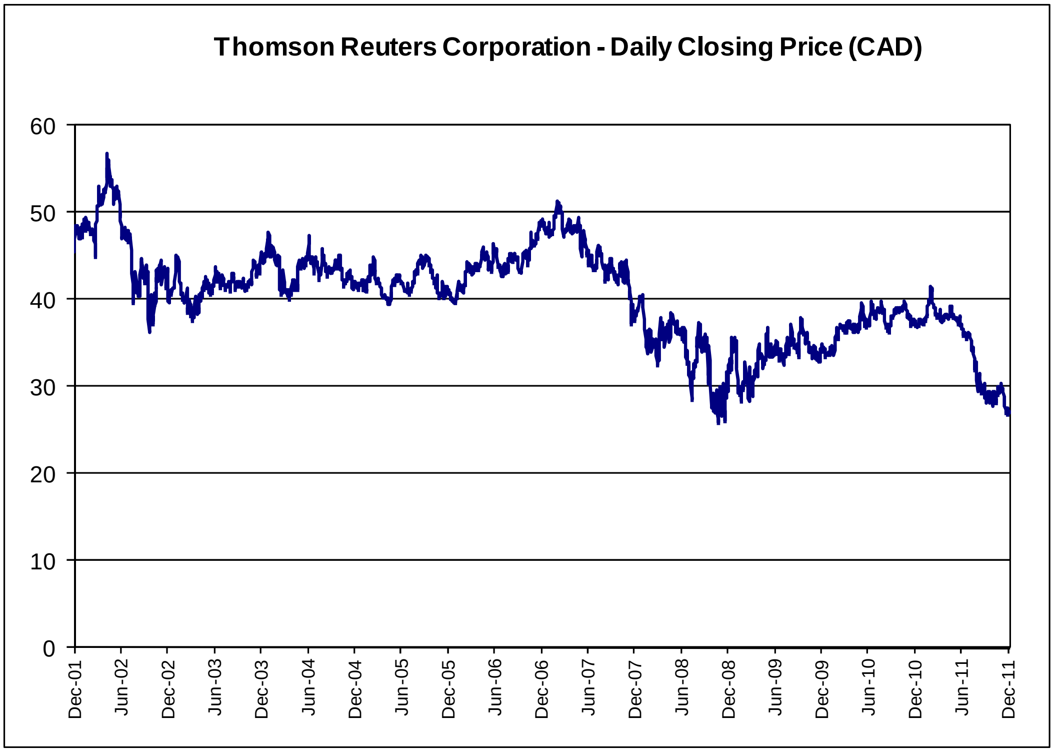
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $8.75 on January 24, 2002 and the highest Closing Price was $62.07 on January 24, 2011. The starting Closing Price was $9.08 on December 3, 2001 and the ending Closing Price was $49.60 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

Thomson Reuters Corporation

Thomson Reuters Corporation is an electronic information and solutions company that serves the global business and professional marketplace. Thomson Reuters Corporation provides proprietary online systems and CD-ROM products in information sectors such as legal and regulatory, financial, scientific reference and healthcare, and corporate training. Thomson Reuters Corporation is listed on the Toronto Stock Exchange (TSX) under the symbol TRI. As at December 8, 2011, the market capitalization was approximately 22.55 billion Canadian dollars.

Further information concerning Thompson Reuters Corporation can be sourced by Investors at http://www.thomsonreuters.com.



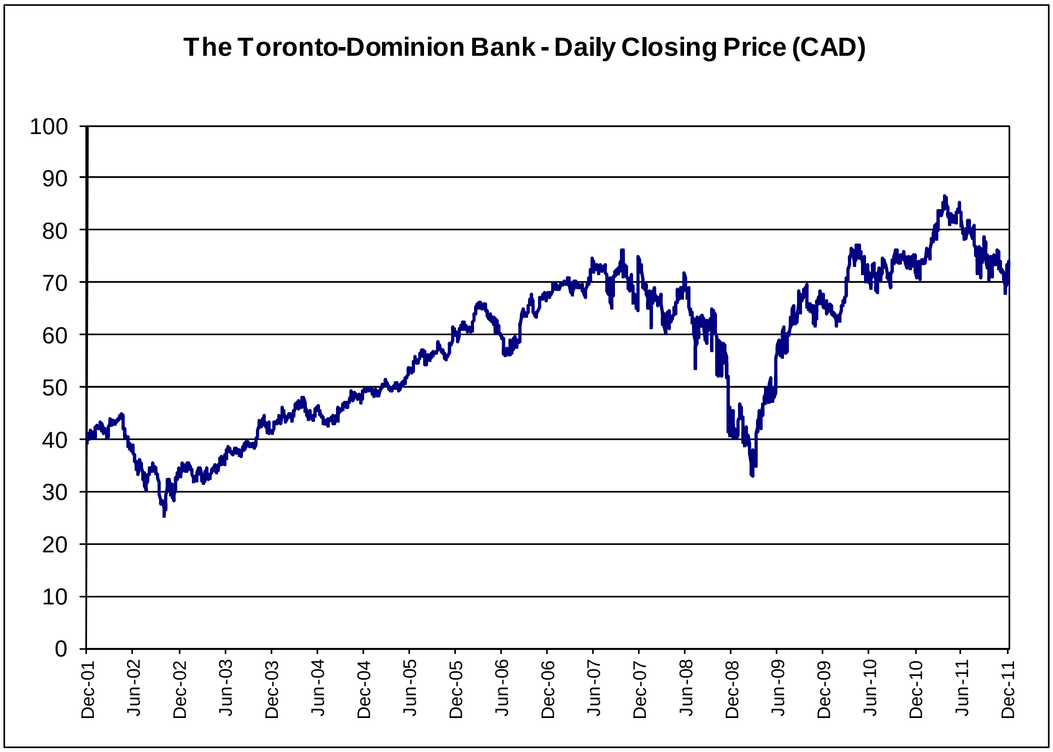
Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $25.86 on October 27, 2008 and the highest Closing Price was $56.70 on April 10, 2002. The starting Closing Price was $45.56 on December 3, 2001 and the ending Closing Price was $27.01 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

The Toronto-Dominion Bank

The Toronto-Dominion Bank is a financial services company that offers a full range of financial products and services to customers in four business lines: Canadian personal and commercial banking, wealth management, wholesale banking and U.S. personal and commercial banking. The Toronto-Dominion Bank is listed on the Toronto Stock Exchange (TSX) under the symbol TD. As at December 8, 2011, the market capitalization was approximately 65.98 billion Canadian dollars.

Further information concerning The Toronto-Dominion Bank can be sourced by Investors at http://www.td.com.



Source: Bloomberg

During the period between December 3, 2001 up to and including December 8, 2011, the lowest Closing Price was $25.25 on October 4, 2002 and the highest Closing Price was $86.40 on March 30, 2011. The starting Closing Price was $39.25 on December 3, 2001 and the ending Closing Price was $72.85 on December 8, 2011. The Closing Price is quoted in Canadian dollars.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Notes by an Investor who purchases the Notes at the time of their issuance (an "Initial Investor"). This summary is applicable only to an Initial Investor who is an individual (other than a trust) and, for the purposes of the Act, deals at arm's length, and is not affiliated, with the Bank and Selling Agent and holds the Notes as capital property. The Notes will generally be considered to be capital property to an Initial Investor unless: (i) the Initial Investor holds the Notes in the course of carrying on or otherwise as part of a business; or (ii) the Initial Investor acquired the Notes as an adventure or concern in the nature of trade. The determination of whether the Notes are held as capital property for purposes of the Act should take into account, among other factors, whether the Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date. This summary does not apply to an Initial Investor that is a corporation, partnership or trust.

This summary is based on the current provisions of the Act and the regulations thereunder as in force on the date hereof (the "Regulations"), counsel's understanding of the current administrative and assessing practices of CRA and all specific proposals to amend the Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes all Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not, except for the Tax Proposals, otherwise take into account or anticipate any changes in law or CRA's administrative or assessing practices, whether by legislative, governmental or judicial decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations, which are not addressed in this summary.

This summary is of a general nature only and is not intended to be legal or tax advice to any Investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Notes, based on their particular circumstances.

Initial Investors Resident in Canada

This portion of the summary is generally applicable to an Initial Investor who, at all relevant times, for purposes of the application of the Act, is, or is deemed to be resident in Canada (a "**Resident Initial Investor**"). Certain Resident Initial Investors whose Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Notes as capital property may be entitled to make an irrevocable election to have the Notes and all of the Resident Initial Investor's other "Canadian securities" deemed to be capital property pursuant to subsection 39(4) of the Act.

Variable Return

In certain circumstances provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for the purposes of the Act). Counsel's understanding of CRA's published administrative practice is generally that such provisions do not apply to deem interest to accrue upon debt obligations the payout under which is linked to the performance of equity securities, including in circumstances where such payout may be subject to a cap, until such time as the amount of such return becomes determinable. As there can be no determination of the Variable Return, if any, until the relevant Valuation Date or notice of an Extraordinary Event, based upon an understanding of CRA's published administrative practice with respect to linked notes and subject to the CRA review noted below, while the matter is not free from doubt, there should be no deemed accrual of interest on the Notes unless a Variable Return is determined to be payable on the Valuation Date or upon the Business Exchange Day immediately following an Extraordinary Event Notification Date and until the Resident Initial Investor's taxation year that includes such date. CRA is reviewing whether the existence of a secondary market for linked debt obligations should be taken into consideration in determining the tax treatment, including deemed accrual of interest, to investors in such obligations.

The Variable Return, if any, received by a Resident Initial Investor upon disposition of the Note to the Bank at the Maturity Date or upon election by the Bank to pay the Variable Return, if any, following an Extraordinary Event will be includible in income of such Resident Initial Investor in such taxation year. Where a Variable Return is determined upon occurrence of an Extraordinary Event but payment of such Variable Return is deferred to the Maturity Date, a Resident Initial Investor will be required to accrue such determined Variable Return into income over the term of the Notes, commencing in the taxation year which includes the Business Exchange Day immediately following the Extraordinary Event Notification Date and in respect of the period from the Issue Date.

Disposition of Notes

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation (other than as a consequence or a repayment of the debt obligation), the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that year or a preceding year. Based in part on the published administrative position of CRA, other than in the event of a transfer or assignment of a Note at a particular time when the Variable Return is determinable, there should generally be no amount in respect of the potential Variable Return that will be treated as accrued interest on an assignment or transfer of a Note prior to the Maturity Date. While the matter is not free from doubt, an amount received by a Resident Initial Investor on a disposition or deemed disposition of a Note (other than a disposition following an Extraordinary Event or to the Bank on the Maturity Date) should give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate of the Resident Initial Investor's adjusted cost base of the Note and any reasonable costs of disposition. CRA is reviewing whether the existence of a secondary market for obligations such as the Notes should be taken into consideration in determining the tax treatment to investors in such obligations. There can be no assurance that the administrative policies or assessing practices of CRA upon completion of their review will be consistent with the characterization of proceeds received on the disposition of such obligations on capital account. **Resident Initial Investors who dispose of Notes prior to the Maturity Date, including Resident Initial Investors who dispose of Notes shortly prior to the Valuation Date, should consult their tax advisors with respect to their particular circumstances.**

One-half of a capital gain realized by a Resident Initial Investor must be included in the income of the Resident Initial Investor. One-half of a capital loss realized by a Resident Initial Investor is deductible against the taxable portion of capital gains realized in the year, in the three preceding years or in subsequent years, subject to and in accordance with the rules in the Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax under the Act.

Initial Investors Not Resident in Canada

This portion of the summary is generally applicable to an Initial Investor who, at all relevant times, for purposes of the application of the Act, is not, and is not deemed to be, resident in Canada, and who deals at arm's length with any transferee resident (or deemed to be resident) in Canada to whom the purchaser disposes of Notes (a "**Non-Resident Initial Investor**").

A Non-Resident Initial Investor may be subject to Canadian non-resident withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Bank as, on account of or in lieu of payment of, or in satisfaction of, interest. Where Canadian non-resident withholding tax applies in accordance with the law or Canada Revenue Agency's interpretation or administration of the law, the Bank will withhold from such payments and will remit any amount so withheld on account of a Non-Resident Initial Investor's liability to tax under the Act in accordance with the provisions of the Act.

Prospective investors who are non-residents of Canada should consult and rely on their own tax advisors as to the tax consequences to them of acquiring, holding and disposing of Notes. Neither the Bank, the Selling Agent nor any of their affiliates make any representation to any prospective investor in that regard.

DESCRIPTION OF THE BANK

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the *Bank Act* (Canada) (the "Bank Act"). The Bank is a Schedule 1 bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1. A copy of the Bank's by-laws is available on www.sedar.com.

The Bank is one of North America's premier financial institutions and Canada's most international bank. Through its team of more than 70,000 employees, the Bank and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking to more than 18.6 million customers in more than 50 countries around the world.

Information on the Bank's business lines is available in the 2011 Management's Discussion and Analysis found on pages 53 to 61 inclusive of the Bank's Annual Report for the year ended October 31, 2011.

RISK FACTORS

Investing in the Notes is subject to certain risks that prospective investors should carefully consider before acquiring Notes, including the following:

Suitability of Notes for Investment

A person should reach a decision to invest in the Notes only after carefully considering, with his or her investment, legal, accounting, tax and other advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in this Information Statement. For instance, an investment in Notes is not suitable for a person seeking a guaranteed or fixed rate of return. The Bank, the Calculation Agent and the Selling Agent make no recommendation as to the suitability of the Notes for investment by any particular person. The Notes have certain investment characteristics that differ from fixed income investments. An investment in Notes may be suitable for investors who: (i) have a long-term investment horizon, (ii) are prepared to receive a return that is not based on a fixed, floating or other specified rate of interest but is tied to the price performance of the Shares, (iii) are prepared to receive the Principal Amount only on the Maturity Date, (iv) are willing to accept a return which does not take into account the dividends or other distributions (if any) declared or paid on the Shares nor the full potential equity upside of the price performance of the Shares, (v) do not need or do not expect certainty of yield, and (vi) are prepared to accept the risks set out under "Risk Factors". The Principal Amount is only repaid if the Notes are held to the Maturity Date. The Notes are not conventional indebtedness in that they have no fixed or floating yield. It is possible that the appreciation, if any, in value of the Basket of Shares between the Issue Date and the Valuation Date could produce no positive Price Return and therefore the Notes could produce no yield. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield.

Comparison to Other Obligations

The terms of the Notes differ from those of ordinary obligations or debt instruments, in that, a return, if any, is payable on the Notes only at the Maturity Date in most circumstances and only to the extent that the Price Return is greater than zero. Whether the Price Return will be greater than zero is contingent on events that are inherently difficult to predict and which are beyond the Bank's control. Accordingly, there can be no assurance that the Price Return will be greater than zero, or that more than the Principal Amount will ever be payable with respect to the Notes. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. Accordingly, an investment in the Notes may result in a lower return when compared to alternative investments.

No Guaranteed Return on Notes

While an Investor is entitled to payment on the Maturity Date which cannot be less than the Principal Amount of the Note, the Notes do not bear a fixed rate of interest and there can be no assurance that the Notes will bear any return. Historical returns on the Shares should not be considered as an indication of the future performance of the Shares, the Basket or the Notes. No assurance can be given, and none is intended to be given, that any Share will appreciate in the period during which the Notes are outstanding or that any Variable Return will be achieved on the Notes at the Maturity Date.

Variable Return may not be Payable and Maximum Variable Return that may be Payable is $40.00

The Variable Return that may be payable on the Notes is linked to the simple average of the 15 Share Returns (one for each Share, each of which can be positive or negative). Investors should realize that there is a possibility that no Variable Return may be payable on the Notes. While there is no floor on any Share's negative contribution to the Price Return of the Shares in the Basket if the Share Return for such Share is negative, the maximum Share Return for any Share will be capped at 40.00% regardless of the actual percentage increase in a Share's Closing Price from the Issue Date to the Valuation Date. Therefore, the maximum Variable Return, if any, that may be payable is $40.00 per Note. Sufficiently weak performance by one or more Shares can offset positive performance resulting in the possibility of no Variable Return being paid. In addition, unless the Price Return is positive at maturity, no Variable Return will be payable on the Notes. See "Description of the Notes — Variable Return".

Notes do not Replicate Investment in Shares

The Variable Return, if any, under a Note will not replicate the return from a direct investment in the Shares. In certain circumstances, even though certain Shares appreciate, no Variable Return will be payable under the Notes. See "Description of the Notes – Variable Return".

Pledging

The ability of an Investor to pledge the Notes or otherwise take action with respect to such Investor's interest in such Notes (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Historical Performance of a Share is not an Indication of Future Performance

The Variable Return, if any, will be determined on the basis of the price performance of the Shares. The historical performance of a Share is not necessarily indicative of the future performance of that Share.

Risks Relating to the Shares

All information in this Information Statement relating to the Shares and the Companies is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither the Bank, the Selling Agent nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information or for any material contained on the websites of the various Companies referred to herein, which website information is not incorporated by reference into, or deemed to be a part of, this Information Statement. It is impossible to predict whether the Closing Price of a Share will increase or decrease over the term of the Notes. Closing Prices of the Shares will be influenced by both complex and interrelated political, economic, financial and other factors that can affect the financial and securities markets generally and by various circumstances that can influence the value of a particular Share. A prospective investor should undertake an independent investigation of the Shares, as the investor deems necessary, to allow the investor to reach an informed decision to invest in the Notes.

Liquidity Risk and Secondary Market

The Principal Amount per Note is only payable at maturity. The Notes will not be listed on any stock exchange. However, the Selling Agent intends to use reasonable efforts to initiate and maintain a secondary market for the Notes, but reserves the right not to do so in the future, in its sole discretion, without providing prior notice to Investors. These efforts will consist of posting a daily Bid Price through the FundSERV network for the Notes. The Selling Agent may, for any reason, elect not to purchase Notes from any particular Investor and may, in its sole discretion, limit the Principal Amount of Notes that will be acquired on any given day from any particular Investor and/or defer the purchase of any or all Notes from any particular Investor. Investors may sell the Notes in any such secondary market prior to maturity. The Bid Price for a Note will be affected by a number of factors, the most important of which are: (i) the Principal Amount of the Note which is payable on maturity; and (ii) the expected value of the Variable Return, if any. Generally, the longer the term to maturity and the higher the prevailing interest rates at the time such Bid Price is obtained, the less the Note will be worth. The expected value of the Variable Return will be a function of a number of variables, including but not limited to: (a) the volatility of the Closing Prices of the Shares; (b) the remaining term to maturity of the Notes; (c) changes in the Closing Prices of the Shares since the Issue Date; and (d) various other factors including, but not limited to, prevailing interest rates and market demand for the Notes. The relationship between these factors is complex and may also be influenced by various political, economic and other factors that can affect the Bid Price of a Note. Due to the method used to price the Variable Return, the expected value of the Variable Return may be substantially less than the value computed only with reference to the price performance of the Shares. If an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses. An Investor who sells a Note prior to the Maturity Date may have to pay an Early Trading Charge of up to 4.50% of the Principal Amount of the Note.

Price Return Only

The Variable Return, if any, payable in respect of the Notes will be based on the Price Return of the Shares only. As of December 8, 2011, the average 12-month dividend yield for the 12-month period ended December 8, 2011 of the Basket was 2.92%. Investors will not be entitled to the benefit of dividends or other distributions on the Shares in the Basket by way of reinvestment or otherwise. The Share Returns will not reflect the payment of dividends or other distributions on the

Shares. Therefore, the yield based on the methodology for calculating the Share Returns will not be the same as the yield which may be produced if the Shares were purchased directly and held for the same period.

Potential Conflicts of Interest between the Investor and The Bank of Nova Scotia

The Bank is the issuer of the Notes. Scotia Capital will, as the Calculation Agent, calculate the amount, if any, of Variable Return paid to Investors on the Maturity Date and will determine the Bid Price. The Calculation Agent may also be required to exercise its judgment in relation to the Notes from time to time. For example, the Calculation Agent may have to determine whether a Market Disruption Event or Extraordinary Event has occurred, and may, as a consequence, have to make certain determinations and calculations. While the Calculation Agent is required to make such determinations and calculations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result, absent manifest error, wilful default or bad faith, all of the Calculation Agent's determinations and calculations will be conclusive for all purposes and binding upon Investors, without any liability on the Calculation Agent's, the Selling Agent's or the Bank's part, and Investors or any third party will not be entitled to any compensation from the Calculation Agent, the Selling Agent or the Bank for any loss suffered as a result of any of the Calculation Agent's determinations and calculations. Since the Calculation Agent's determinations and calculations may affect the market value of the Notes, the Bank may have a conflict of interest if the Calculation Agent needs to make any such determinations and calculations.

Since the Calculation Agent is a subsidiary of the Bank, the Calculation Agent may have an economic interest adverse to those of Investors, including with respect to the Bank's hedging arrangements with respect to the Notes and with respect to certain determinations that the Calculation Agent must make including, without limitation, whether a Market Disruption Event or an Extraordinary Event has occurred and in making other determinations with respect to the Notes. The Bank may from time to time, in the course of its normal business operations, hold Shares or interests linked to any Share or Company. The Bank and its affiliates may also deal in the securities of each Company (including Shares) and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Company or any other person or entity having obligations relating to such Company and may engage in proprietary trading in the Shares or in options, futures or derivatives relating to the Shares (including such trading as the Bank may deem appropriate, in its discretion, to hedge any risk in connection with the Notes) and may act with respect thereto in the same manner as it would if the Notes did not exist, regardless of whether any such action might have an adverse effect on the value of any Shares and, thus, the Variable Return, if any, payable in respect of the Notes. There is no assurance that any such actions by the Bank and its affiliates will not have an adverse effect on the value of any Shares and, thus, the Variable Return, if any, payable in respect of the Notes. The Bank and its affiliates may, whether by virtue of the relationships described above or otherwise, from time to time be in possession of information in relation to any Company that may not be publicly available or known to Investors, and the Notes do not create an obligation on the part of the Bank or its affiliates to disclose to Investors such relationship or such information (whether or not confidential).

Market Disruption Event

If a Market Disruption Event in respect of a Share occurs on a Valuation Date, the determination of the Closing Price for that Share on such date (and, possibly, any payment of Variable Return, if any) may be delayed. Fluctuations in the Closing Price of the affected Share may occur in the interim. If the Calculation Agent determines that a Market Disruption Event in respect of a Share in the Basket has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of such Share, then Variable Return, if any, will be calculated (and the applicable Closing Price will be determined) on the basis that such Valuation Date will be postponed to the next Business Exchange Day on which there is no Market Disruption Event in effect in respect of such Share. See "Description of the Notes — Special Circumstances — Market Disruption Event".

Extraordinary Event

If the Calculation Agent determines that an Extraordinary Event has occurred, the Bank may, at its option upon notice to the Investors to be given effective on the Extraordinary Event Notification Date, elect to accelerate the determination and payment of the Variable Return, if any, on all outstanding Notes. In such circumstances, the Variable Return, if any, may be less than the Variable Return, if any, that would otherwise have been payable had the Extraordinary Event not occurred. In no event will the Principal Amount of a Note be paid prior to the Maturity Date. See "Description of the Notes — Special Circumstances — Extraordinary Event".

Adjustments in Special Circumstances

In certain circumstances, including Potential Adjustment Events and Substitution Events, the Calculation Agent may adjust any one or more of the Initial Prices or Final Prices for the Shares, the formula for calculating a Share Return, or another component or variable relevant to the determination of Variable Return, if any, to account equitably for those circumstances. In certain circumstances, the Calculation Agent may replace a notional Share notionally held in the Basket with a different notional share. If so, the Calculation Agent may, in its discretion, make certain adjustments to the determination of Variable Return to account equitably for those circumstances. A Substitution Event may adversely affect the Variable Return, if any, realized by Investors of Notes. See "Description of the Notes — Special Circumstances".

No Independent Calculation

As part of its responsibilities, the Calculation Agent, acting reasonably, will be solely responsible for computing the Share Returns, Price Return and Variable Return, if any. No independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

Risks Relating to the Companies

The Variable Return, if any, payable on the Notes is linked to the price performance of the Shares. Accordingly, certain risk factors applicable to investors who invest directly in Shares are also applicable to an investment in Notes to the extent that such risk factors could adversely affect the performance of the Companies. While Investors may obtain additional information concerning the Companies at the sources noted under "The Shares and the Companies", neither the Bank, the Selling Agent nor their respective affiliates assume any responsibility for any such information, which is not incorporated by reference in, or deemed in any way to form a part of, this Information Statement. Prospective investors are urged to conduct their own independent investigation of the Companies and the Shares prior to making any investment decision with respect to the Notes. The Bank is not affiliated with any of the Companies and has not performed any due diligence investigation or review of them. Neither the Bank, the Selling Agent nor their respective affiliates assume any responsibility for the adequacy of the information concerning the Companies or the Shares contained in this Information Statement or any publicly available information concerning the Companies or the Shares.

Dependence on Management

The Companies' success depends, as in the past, on the skill and acumen of their respective management teams. An investment in the Notes is, apart from the principal protected feature of the Notes, subject to the same risks as a direct equity investment in the Companies. If these individuals should cease to participate in the Companies' business and if satisfactory replacements cannot be found, the Companies' ability to carry out their business plans could be impaired. There can be no assurance that: (a) any Company's strategic objectives will be realized; (b) any Company's business strategies will prove successful; or (c) any Company can avoid losses. Past performance of a Company or its Shares is not indicative of future returns.

No Control over Management

Since the Basket is notional only, Investors will have no ownership or other interest in the Shares comprising the Basket other than the right to be paid a return, if any, on the Notes based on the performance of the Basket. An Investor will not have the rights of a security holder of any of the Companies including, without limitation, any voting rights or rights to receive dividends or other distributions. There will be no control over the management of any Company whose Shares are reflected in the Basket. The performance of the Notes will depend in part on the ability and success of the management of the Companies, in addition to general economic and market factors.

Credit Risk

Because the obligation to make payments to Investors is an obligation of the Bank, the likelihood that such Investors will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be amended or changed in a manner which adversely affects Investors.

CRA Administrative Practice

In certain circumstances provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for the purposes of the Act). CRA's published administrative practice is generally that such provisions have no application to debt obligations the payout under which is linked to the performance of equity securities until such time as the amount of such return becomes determinable. In certain private rulings, CRA has applied its administrative practice to linked notes the return on which was, like the Notes, subject to a cap. CRA treats private rulings as binding upon it only in respect of the particular transaction and taxpayers ruled upon. No advance income tax ruling has been sought or received from CRA in respect of the Notes. While, based upon CRA administrative practice, there should be no deemed accrual of interest on the Notes, CRA is not bound to apply such administrative practice to investors in the Notes.

CRA is reviewing whether the existence of a secondary market for obligations such as the Notes should be taken into consideration in determining the tax treatment to investors in such obligations. There can be no assurance that the administrative policies or assessing practices of CRA upon completion of their review will be consistent with the absence of a requirement to accrue interest in respect of potential Variable Return under the Notes or with the characterization of proceeds received on the disposition of the Notes on capital account.

Non-Resident Withholding Tax

Canadian non-resident withholding tax applies at a rate of 25% to interest paid or credited or deemed for purposes of the Act to be paid or credited on a note (including any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the note in certain cases involving the assignment, deemed assignment or other transfer of a note to a Canadian-resident issuer thereof, or any other resident or deemed resident of Canada) to a non-resident holder where any portion of such interest (other than interest on certain prescribed obligations) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation. This 25% rate may be reduced under the provisions of an applicable bilateral tax treaty or convention to which Canada is a party. Where Canadian non-resident withholding tax applies to amounts paid or credited or deemed to have been paid or credited by the Bank as, on account of or in lieu of payment of, or in satisfaction of, interest to a Non-Resident Initial Investor, the Bank will withhold from such payments and will remit any amount so withheld on account of a Non-Resident Initial Investor's liability to tax under the Act in accordance with the provisions of the Act. Any amounts so withheld in respect of the Notes will reduce the amount received by a Non-Resident Holder.

No Deposit Insurance

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime. Therefore, an Investor will not be entitled to Canada Deposit Insurance Corporation protection.

Canadian Investor Protection Fund

There is no assurance that an investment in the Notes will be eligible for protection under the Canadian Investor Protection Fund. An Investor should consult a financial advisor on whether the Investor's investment in the Notes is eligible for protection in light of such Investor's particular circumstances.

Economic and Regulatory Issues

Changes in economic conditions, including, for example, interest rates, inflation rates, commodity prices, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors, can affect substantially and adversely the Closing Prices of the Shares. None of these conditions are within the control of the Bank.

The Notes are not subject to Canadian securities laws. Accordingly, Investors do not have the same rights of action with respect to the disclosure in this Information Statement that a prospectus would provide. No securities commission or similar authority has in any way passed upon the merits of investing in the Notes or the information contained in this Information Statement.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Statement from documents filed by the Bank with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice-President, General Counsel and Secretary, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672, and are also available electronically at www.sedar.com.

The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this Information Statement:

(a) the Bank's management proxy circular attached to the Notice of Meeting dated February 8, 2011, prepared in connection with the Bank's annual meeting of shareholders held on April 5, 2011;

(b) the Bank's annual information form dated December 2, 2011, for the year ended October 31, 2011;

(c) the Bank's consolidated balance sheets as at October 31, 2011 and October 31, 2010 and the consolidated statements of income, change in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended October 31, 2011, together with the auditors' report thereon;

(d) the Bank's management's discussion and analysis of financial condition and results of operations for the year ended October 31, 2011; and

(e) the Bank's material change report dated December 12, 2011.

Any documents of the type referred to in the preceding paragraph, any information circulars, any material change reports (excluding confidential material change reports), any news release containing financial information concerning the Bank for a period following October 31, 2011 and any business acquisition reports for acquisitions completed after October 31, 2011 filed by the Bank with a securities regulatory authority in Canada after the date of this Information Statement and prior to the completion or withdrawal of this Offering, are deemed to be incorporated by reference in this Information Statement.

Any statement contained in this Information Statement or in a document incorporated or deemed to be incorporated by reference herein or contemplated in this Information Statement shall be deemed to be modified or superseded for purposes of this Information Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Statement.

GLOSSARY

“1933 Act” has the meaning ascribed thereto under “Plan of Distribution”.

“Act” means the *Income Tax Act* (Canada).

“Bank” means The Bank of Nova Scotia.

“Bank Act” has the meaning ascribed thereto under “Description of the Bank”.

“Basket” means the notional basket made up of the Shares as described under “The Basket”.

“Bid Price” has the meaning ascribed thereto under “Description of the Notes — Secondary Trading of Notes”.

“Budget” has the meaning ascribed thereto under “Eligibility for Investment”.

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in Ontario, on which the Bank is open for domestic business in Toronto, Ontario.

“Business Exchange Day” means any day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time, that is also a Business Day.

“Calculation Agent” means Scotia Capital.

“CDS” means CDS Clearing and Depository Services Inc.

“Closing Price” means, in respect of a Share, on any day, the official closing price for that Share as announced by the relevant Exchange in the currency quoted by such Exchange, provided that, if on or after the Issue Date such Exchange materially changes the time of day at which such official closing price is determined, the Calculation Agent may thereafter deem the Closing Price to be the price of that Share as of the time of day used by such Exchange to determine the official closing price prior to such change.

“Companies” mean, initially: Agrium Inc.; Barrick Gold Corporation; Bombardier Inc.; BCE Inc.; Cameco Corporation; Canadian Tire Corporation, Limited.; Fortis Inc.; Loblaw Companies Limited; Magna International Inc.; Potash Corporation of Saskatchewan Inc.; Penn West Petroleum Ltd.; Sun Life Financial Inc.; SNC-Lavalin Group Inc.; Thomson Reuters Corporation; and The Toronto-Dominion Bank, and **“Company”** means any one of the Companies.

“CRA” means Canada Revenue Agency.

“DBRS” means Dominion Bond Rating Service, Limited.

“Deleted Share” has the meaning ascribed thereto under “Description of the Notes — Special Circumstances — Substitution Event”.

“Delisting” means, in respect of a Share, that the relevant Exchange announces that, pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange.

“Early Trading Charge” means the early trading charge per Note, if any, described under “Description of the Notes — Early Trading Charge”.

“Exchange” means, in respect of each Share noted, the TSX, provided that if the TSX is no longer the primary exchange for the trading of the relevant Share, as determined in the sole discretion of the Calculation Agent, the Calculation Agent may designate another exchange or trading system on which the Shares are then listed, quoted or traded as the Exchange for such Share

"Extraordinary Event" means any of the following events that occurs on or after the Issue Date and prior to the Maturity Date where the Calculation Agent, acting in its sole and absolute discretion, has determined to designate such event as an "Extraordinary Event": (i) the Bank is unable to effectively acquire, establish, re-establish, substitute, maintain, unwind or dispose any actual or notional hedge transaction entered into in connection with the Offering of Notes or to realize, recover or remit the proceeds of any such hedging transaction; (ii) an increase in the cost of acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any actual or notional hedging transaction entered into in connection with the Offering of Notes or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction; (iii) as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, after such date or as a result of any other event it would become unlawful for the Bank to acquire, establish, re-establish, substitute, maintain, unwind or dispose any actual or notional hedge transaction entered into in connection with the Offering of Notes; or (iv) a Substitution Event occurs and the Calculation Agent fails or is unable to choose a Replacement Share.

"Extraordinary Event Notification Date" has the meaning ascribed thereto under "Description of the Notes — Special Circumstances — Extraordinary Event".

"Final Price" means, in respect of a Share, the Closing Price of the Share on the Valuation Date as determined by the Calculation Agent, subject to the provisions set out under "Description of the Notes — Special Circumstances".

"Fitch" means Fitch Ratings Ltd.

"FundSERV" has the meaning ascribed thereto under "FundSERV".

"FundSERV-enabled Notes" has the meaning ascribed thereto under "FundSERV".

"Initial Investor" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"Initial Price" means, in respect of a Share, the Closing Price of the Share on the Issue Date as determined by the Calculation Agent, provided that, if the Issue Date is not a Business Exchange Day in respect of such Share, then the Initial Price in respect of such Share means the Closing Price of such Share for the immediately following applicable Business Exchange Day as determined by the Calculation Agent, and further subject to the provisions set out under "Description of the Notes — Special Circumstances".

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, winding-up or analogous proceeding affecting the relevant Company: (i) all of the relevant Shares of such Company are required to be transferred to a trustee, liquidator or similar official; or (ii) holders of such Shares become legally prohibited from transferring them.

"Investor" means a holder of Notes.

"Issue Date" means the actual date of issuance of the Notes, expected to be on or about February 3, 2012 or an earlier date agreed to between the Bank and the Selling Agent if the selling period for the Notes ends prior to January 27, 2012.

"Market Disruption Event" means, in respect of a Share, any *bona fide* event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Bank or any person that does not deal at arm's length with the Bank which has or will have a material adverse effect on the ability of equity dealers generally to acquire, establish, re-establish, substitute, maintain, unwind or modify hedges of positions in respect of such Share. A Market Disruption Event may include, without limitation, any of the following events: (i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to the Share(s) on the Exchange(s); or (b) in futures or options contracts or futures contracts relating to the relevant Share(s) on any relevant Related Exchange; (ii) the closure ("Early Closure") on any Business Exchange Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Business Exchange Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Business Exchange Day; (iii) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general:

(a) to effect transactions in, or obtain market values for, the Share(s) on the Exchange(s); or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share(s) on any relevant Related Exchange; (iv) the failure on any Business Exchange Day of the relevant Exchange(s) of the relevant Share(s) or any Related Exchange to open for trading during its regular trading session; (v) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Bank or the Calculation Agent to perform its obligations under the Notes or for equity dealers generally to acquire, establish, re-establish, substitute, maintain, unwind or modify hedges of positions in respect of such Share; (vi) the taking of any action by any governmental, administrative legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange or Related Exchange is located; or (vii) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank or the Calculation Agent to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to any Share or a material and adverse effect on the Canadian economy or the trading of securities generally on any Exchange or Related Exchange.

“Maturity Date” means February 3, 2017.

“MDE Formula” has the meaning ascribed thereto under “Description of the Notes — Special Circumstances — Market Disruption Event”.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of a Share, any: (i) reclassification or change of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding); (iii) take-over bid, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of such Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of such Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (commonly referred to as a “reverse merger”), in each case if the Merger Date is on or before the date on which the Share Return in respect of such Share is determined.

“Moody’s” means Moody’s Investors Service, Inc.

“Nationalization” means, in respect of a Share, that all such Shares or all or substantially all of the assets of the applicable Company are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

“Net Proceeds” means an amount equal to $97.50 per Note.

“Non-Resident Initial Investor” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“Notes” means The Bank of Nova Scotia — Canadian Value Equity Deposit Notes, Series 1 offered by this Information Statement.

“Offering” means the offering of the Notes pursuant to this Information Statement.

“Potential Adjustment Event” means, in respect of a Share, the occurrence of any of the following events: (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue; (ii) a distribution, issue or dividend to existing holders of the Shares of: (a) additional Shares; or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the applicable Company equally or proportionately with such payments to holders of Shares; or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; (iii) an extraordinary dividend or other distribution (paid in cash or otherwise) in respect of such Shares (where the characterization of a dividend or other distribution as "extraordinary" will be determined by the Calculation Agent); (iv) a call by the applicable Company in respect of the Shares that are not fully paid; (v) a repurchase by the applicable Company or any of its subsidiaries of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; (vi) in respect of the applicable Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption or such rights; or (vii) any other event that may have a dilutive or concentrative effect on the theoretical value of the Shares as determined by the Calculation Agent.

"Price Return" means the average of the Share Returns for each of the Shares in the Basket as determined by the Calculation Agent, provided that if such average does not exceed zero, then the Price Return shall be zero.

"Principal Amount" means $100.00 per Note.

"Regulations" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"Related Exchange" means, in respect of a Share, any exchange or trading system on which futures or options on such Share are listed from time to time.

"Replacement Share" has the meaning ascribed thereto under "Description of the Notes — Special Circumstances — Substitution Event".

"Resident Initial Investor" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"RRIF" has the meaning ascribed thereto under "Eligibility for Investment".

"RRSP" has the meaning ascribed thereto under "Eligibility for Investment".

"S&P" means Standard and Poor's Rating Service, a division of The McGraw-Hill Companies, Inc.

"Scheduled Closing Time" means, in respect of an Exchange or a Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange without regard to after hours or any other trading outside of regular trading session hours.

"Scotia Capital" means, collectively, Scotia Capital Inc. and any of its affiliates and, where the context requires, "Scotia Capital" also refers to the global corporate and investment banking and capital markets products and services provided by the Bank and its affiliates.

"Selling Agent" means Scotia Capital Inc.

"Share Return" means, in respect of a Share, the number (which can be positive or negative, and which is to be expressed as a percentage, rounded to two decimal places) calculated as follows:

$$\frac{\textbf{Final Price} - \textbf{Initial Price}}{\textbf{Initial Price}}$$

provided that the maximum Share Return in respect of a Share shall not, in any event, exceed 40.00%.

"Shares" means the shares of the Companies specified under "Description of the Notes — Companies and Shares".

"Substitution Date" has the meaning ascribed thereto under "Description of the Notes — Special Circumstances — Substitution Event".

"Substitution Event" means, in respect of a Share, any event which, in the determination of the Calculation Agent, has adversely affected or may potentially adversely affect the liquidity of the Share (as compared with its liquidity at the Issue Date) and may include, but is not limited to: (i) a Nationalization; (ii) an Insolvency; (iii) a Delisting; or (iv) any Merger Event or Tender Offer in respect of such Share that is deemed by the Calculation Agent, in its sole discretion, to be a Substitution Event.

"Tax Proposals" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"Tender Offer" means, in respect of a Share, a take-over bid, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding relevant Shares of the applicable Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which the relevant Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained as determined by the Calculation Agent.

"TFSA" has the meaning ascribed thereto under "Eligibility for Investment".

"TSX" means the Toronto Stock Exchange.

"Valuation Date" means the second Business Exchange Day prior to the Maturity Date, subject to the provisions set out under "Description of the Notes — Special Circumstances".

"Variable Return" has the meaning ascribed thereto under "Summary — Variable Return".

SCHEDULE A –
DISCLOSURE FOR SALES
IN PERSON OR BY TELEPHONE

The Notes are governed by federal regulations applicable to "Principal Protected Notes". For any purchases of Notes in person or by telephone, the investment advisor must read the following information to the Investor at the time the purchase order is taken.

1. The Notes will be issued on or about February 3, 2012, or an earlier date agreed to between the Bank and Scotia Capital Inc., the Selling Agent, if the selling period for the Notes ends prior to January 27, 2012, and will mature on February 3, 2017, resulting in a term to maturity of approximately 5 years. The full Principal Amount of $100.00 per Note will be repaid if held to maturity.

2. The return on the Notes is linked to the price performance of a basket of Shares consisting of notional investments in 15 Canadian companies (equally dollar-weighted at inception). Any Variable Return that may be payable on the Notes is linked to the simple average of the 15 Share Returns (one for each Share, each of which can be positive or negative). There is a possibility that no Variable Return will be payable on the Maturity Date. No Variable Return will be paid unless the Price Return is greater than zero. The amount of Variable Return shall not, in any event, exceed $40.00 per Note.

3. The Share Return of any particular Share in the Basket is the percentage increase or decrease in the Closing Price of that Share, measured from the Issue Date to the Valuation Date, subject to a maximum of 40.00%. There is no minimum Share Return for any Share. If such Share Return is negative, there is no floor on the Share's negative contribution to the Price Return of the Shares in the Basket.

4. The Variable Return, if any, payable in respect of the Notes will be based on the Price Return of the Shares only. As of December 8, 2011, the average 12-month dividend yield for the 12-month period ended December 8, 2011 of the Basket was 2.92%. Investors will not be entitled to the benefit of dividends or other distributions on the Shares in the Basket by way of reinvestment or otherwise. The Share Returns will not reflect the payment of dividends or other distributions on the Shares. Therefore, the yield based on the methodology for calculating the Share Returns will not be the same as the yield which may be produced if the Shares were purchased directly and held for the same period.

5. If a Market Disruption Event or an Extraordinary Event occurs, it may affect the determination and payment of the Variable Return, if any, to an Investor. Notwithstanding the occurrence of a Market Disruption Event or an Extraordinary Event, the Principal Amount of each Note will only be repaid at the Maturity Date.

6. An investment in Notes may be suitable for investors who: (i) have a long-term investment horizon, (ii) are prepared to receive a return that is not based on a fixed, floating or other specified rate of interest but is tied to the price performance of the Shares, (iii) are prepared to receive the Principal Amount only on the Maturity Date, (iv) are willing to accept a return which does not take into account the dividends or other distributions (if any) declared or paid on the Shares nor the full potential equity upside of the price performance of the Shares, (v) do not need or do not expect certainty of yield, and (vi) are prepared to accept the risks set out under "Risk Factors" in the Information Statement. Neither the Bank nor Scotia Capital Inc. nor any of their respective affiliates make any recommendation as to whether the Notes are a suitable investment for any person.

7. The Notes are generally not suitable for investors who anticipate the need to sell them prior to maturity or who prefer to receive the dividends or other distributions (if any) on the Shares. A person should reach a decision to invest in the Notes only after carefully considering, with his or her advisors, the suitability of this investment in light of his or her investment objectives and the information set out in the Information Statement. The Notes are not conventional indebtedness in that they have no fixed or floating yield. It is possible that the appreciation, if any, in value of the Basket of Shares between the Issue Date and the Valuation Date could produce no positive Price Return and therefore the Notes could produce no yield. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield.

8. Investors cannot elect to receive Variable Return, if any, before the Maturity Date. The initial investment of $100.00 per Note will be repaid only at maturity. Scotia Capital Inc. has undertaken to effect the actions set out in the Information Statement for purposes of initiating and maintaining a secondary market for the Notes. If an Investor

sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses. All secondary market sales of Notes must be effected through a service maintained by distributors in the FundSERV network. Such service may be suspended at any time without prior notice.

9. Scotia Capital Inc. intends to use reasonable efforts to initiate and maintain a secondary market for the Notes but reserves the right not to do so at any time in the future, in its sole discretion, without providing prior notice to Investors. If an Investor chooses to sell a Note within the first 720 days from the Issue Date, an Early Trading Charge of up to 4.50% of the Principal Amount will reduce the amount that the Investor will receive.

10. Selling expenses of $2.50 per Note will be paid out of the proceeds of this Offering to qualified selling members for selling the Notes.

11. The Bank will, as long as the Notes are issued in book-entry only form through CDS, pay the Principal Amount and Variable Return, if any, to CDS or its nominee. The Bank expects that CDS or its nominee will, upon receipt of such payment, credit participants' accounts in amounts proportionate to their respective interest in the Notes.

12. The Notes are not deposits insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime.

13. Before reaching a decision to purchase any Notes, prospective investors should carefully consider a variety of risk factors associated with the Notes, including but not limited to: (i) the Notes are not suitable for all investors; (ii) the terms of the Notes differ from those of ordinary obligations or debt instruments, in that, a return, if any, is payable on the Notes only at the Maturity Date in most circumstances and only to the extent that the Price Return is greater than zero; (iii) the Notes do not provide a return that is calculated by reference to a fixed, floating or other specified rate of interest and therefore the return on the Notes, if any, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain; (iv) there can be no assurance that the Notes will bear any return; (v) no Variable Return may be payable on the Notes and the maximum Variable Return, if any, that may be payable is $40.00 per Note; (vi) sufficiently weak performance by one or more Shares can offset positive performance resulting in the possibility of no Variable Return being paid; (vii) the Variable Return, if any, under a Note will not replicate the return from a direct investment in the Shares; (viii) the ability of an Investor to pledge the Notes or otherwise take action with respect to such Investor's interest in such Notes (other than through a CDS Participant) may be limited due to the lack of a physical certificate; (ix) the Variable Return, if any, will be determined on the basis of the price performance of the Shares; historical performance of a Share is not necessarily indicative of the future performance of that Share; (x) it is impossible to predict whether the Closing Price of a Share will increase or decrease over the term of the Notes; (xi) there is no assurance that Scotia Capital Inc. will maintain a secondary market for the Notes; (xii) if an Investor sells Notes prior to maturity, the Investor may have to do so at a discount from the Principal Amount even if the performance of the Shares has been positive and, as a result, the Investor may suffer losses; (xiii) the Share Returns will not reflect the payment of dividends or other distributions on the Shares; (xiv) there are potential conflicts of interest between Investors and the Bank; (xv) the occurrence of certain events may accelerate or delay the payment of Variable Return, if any, and change the manner in which Variable Return is calculated; (xvi) no independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent; (xvii) certain risk factors applicable to investors who invest directly in Shares are also applicable to an investment in Notes to the extent that such risk factors could adversely affect the performance of the Companies; (xviii) the likelihood that Investors will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank; (xix) there can be no assurance that income tax, securities and other laws will not be amended or changed in a manner which adversely affects Investors; (xx) investors should consider the tax consequences of an investment in the Notes. While, based upon CRA administrative practice, there should be no deemed accrual of interest on the Notes, CRA is not bound to apply such administrative practice to investors in the Notes. CRA is reviewing whether the existence of a secondary market for obligations such as the Notes should be taken into consideration in determining the tax treatment to investors in such obligations. There can be no assurance that the administrative policies or assessing practices of CRA upon completion of their review will be consistent with the absence of a requirement to accrue interest in respect of potential Variable Return under the Notes or with the characterization of proceeds received on the disposition of the Notes on capital account; (xxi) the potential application of non-resident withholding tax; (xxii) the Notes will not be insured by the Canada Deposit Insurance Corporation or any other entity; (xxiii) there is no assurance that an investment in the Notes will be eligible for protection under the Canadian Investor Protection Fund; and (xxiv) changes in economic conditions, trends, war, tax laws and innumerable other factors, none of

which are within the control of the Bank, can affect substantially and adversely the Closing Prices of the Shares. Investors should read the Information Statement for a more complete discussion of the risk factors associated with an investment in the Notes.

14. An Investor may cancel any order to buy a Note (or its purchase if issued) by providing instructions to the Bank through his or her investment advisor at any time up to 48 hours after the later of: (i) the day on which the agreement to purchase the Notes is entered into; and (ii) deemed receipt of the Information Statement. Investors should read the Information Statement for more detailed information about their right of cancellation.

15. The terms of the Notes may be amended without the consent of the Investors by the Bank if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the Investors. If an amendment is made without the consent of Investors, notice of such amendment will be provided to Investors prior to the amendment becoming effective or without delay afterwards. In other cases, the terms of the Notes may be amended if the Bank proposes the amendment and if the amendment is approved by a resolution passed by the favourable votes of the Investors holding not less than $66^2/_3$% of the Principal Amount of the Notes represented at a meeting convened for the purpose of considering the resolution.

16. The Bank is the issuer of the Notes. Scotia Capital Inc. will, as the Calculation Agent, calculate the amount, if any, of Variable Return payable to Investors on the Maturity Date and will determine the Bid Price. Since the Calculation Agent's calculations and determinations may affect the market value of the Notes, the Bank may have a conflict of interest if the Calculation Agent needs to make any such calculations and determinations.

17. The last available measure that would be used to determine the Share Returns and any applicable Early Trading Charge will be available at www.scotia-ppns.com and upon request. During the term of the Notes, Investors may enquire as to the Bid Price by contacting Scotia Capital Inc. at 1-866-416-7891.

This is only a summary of certain terms of the Notes. Investors should read the Information Statement for further details concerning all aspects of the Notes. A soft copy of the Information Statement is available at www.scotia-ppns.com and a hard copy will be sent to each Investor upon request.