

INFORMATION STATEMENT DATED FEBRUARY 27th, 2006

This Information Statement has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to the Deposit Notes. This Information Statement constitutes an offering of these Deposit Notes only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Deposit Notes. No securities commission or similar authority in Canada has in any way passed upon the merits of the Deposit Notes offered hereunder and any representation to the contrary is an offence. The Deposit Notes offered under this Information Statement 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 to or for the account or benefit of US persons within the meaning of Regulation S under the 1933 Act.



THE BANK OF NOVA SCOTIA
COMMODITY LINKED DEPOSIT NOTES,

SERIES 2

Due September 23, 2011

Price: \$100.00 per Deposit Note

Scotia Capital Inc.

Selling Agent

Table of Contents

	<u>Page</u>
SUMMARY	4
GLOSSARY	7
CALCULATION OF VARIABLE INTEREST	9
Variable Interest	
Example Calculations	
DOCUMENTS INCORPORATED BY REFERENCE	10
DESCRIPTION OF THE ISSUER	11
DESCRIPTION OF THE DEPOSIT NOTES	12
Issue	
Principal Amount and Minimum Subscription	
Maturity & Repayment of Principal Amount	
Variable Interest	
Currency	
Credit Rating	
Use of Proceeds	
Secondary Trading of Deposit Notes	
Special Circumstances	
Forms of the Deposit Notes	
Deferred Payment	
Status	
Plan of Distribution	
Dealings in Commodities	
Notification	
Investors' Right of Rescission	
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	19
Variable Interest	
Disposition of Deposit Notes	
THE COMMODITIES	21
Aluminum	
Copper	
Crude Oil	
Gold	
Natural Gas	
RISK FACTORS	24

This Information Statement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Deposit Notes. The Issuer has taken reasonable care to ensure that the facts stated in this Information Statement with respect to the Deposit Notes are true and accurate in all material respects. The Issuer makes no assurances, representations or warranties with respect to the accuracy, reliability or completeness of information obtained from third parties. Furthermore, the Issuer makes no recommendation concerning the Commodities as an asset class or the suitability of investing in securities generally or the Deposit Notes in particular. No person has been authorized to give any information or to make any representation not contained in this Information Statement and the Issuer does not accept any responsibility for any information not contained in this Information Statement.

SUITABILITY FOR INVESTMENT

An investment in Deposit Notes is suitable only for investors prepared to assume risks with respect to a return tied to the performance of the Commodities. Whether Variable Interest will be paid on the Deposit Notes is uncertain and an Investor may not receive anything more at the Maturity Date than the Principal Amount. The Principal Amount is guaranteed to be repaid only if the Deposit Notes are held to the Maturity Date. A person should reach a decision to invest in the Deposit 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 Deposit Notes have certain investment characteristics that differ from fixed income investments. The Deposit Notes may not provide Investors with Variable Interest prior to or at the Maturity Date, nor may they provide a return in excess of the Principal Amount at the Maturity Date. Therefore, an investment in the Deposit Notes is only suitable for Investors prepared to assume risks with an investment whose return is tied to the performance of the Commodities. The Principal Amount is only repaid if the Deposit Notes are held to the Maturity Date. The Deposit Notes are not conventional indebtedness. The Deposit Notes could produce no yield. Therefore, the Deposit Notes are not suitable investments for Investors who require a fixed annual return. See “Risk Factors”.

ELIGIBILITY FOR INVESTMENT

The Deposit Notes offered hereby would, if issued on the date of this Information Statement, be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans or deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Issuer or by an employer with which the Issuer does not deal at arm’s length within the meaning of such Act.).

CURRENCY

All dollar or currency amounts expressed in this Information Statement are Canadian dollars, unless otherwise specified.

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.

Commodity Linked Deposit Notes, Series 2 (each a “Deposit Note” collectively the “Deposit Notes”) are variable interest Deposit Notes issued by The Bank of Nova Scotia (the “Bank” or the “Issuer”). In this Summary when we use the terms “we”, “our” or “us” we are referring to the Issuer. A Deposit Note entitles the holder (“you” or “Investor”) at maturity, to an amount in Canadian dollars equal to the amount you deposited with us, and a variable interest payment (if any) linked to the performance of a basket of commodities (each a “Commodity” and collectively, the “Commodity Basket”).

Variable Interest, if any, payable at maturity will be equal to the Principal Amount times the Participation Rate times the Price Return. The Participation Rate is 150%. The Price Return is the average of the Returns (each of which may be positive or negative) of the Commodities Rate. The Return of a Commodity is the percentage increase or decrease in the Reference Price of such Commodity between the Issue Date and the fourth Business Exchange Day (as defined herein) prior to the Maturity Date. **Unless the Price Return of the Commodity Basket is positive, no Variable Interest will be payable on the Deposit Notes. The Deposit Notes do not carry a fixed rate of interest.**

Issue:	The Bank of Nova Scotia – Commodity Linked Deposit Notes – Series 2
Issuer:	The Bank of Nova Scotia. Our head office is located at 44 King Street West, Toronto, Ontario, M5H 1H1.
Issue Price:	\$100.00
Principal Amount:	The Deposit Notes will be sold in denominations of \$100.00 per Deposit Note (the “Principal Amount”), with a minimum subscription of fifty (50) Deposit Notes per Investor (i.e. \$5,000)
Strike Setting Date:	On or about March 21, 2006.
Issue Date:	On or about March 23, 2006.
Maturity Date/Term:	The Deposit Notes will mature on or about September 23, 2011, resulting in a term to maturity of approximately 5.5 years.
Commodities in the Basket:	Variable Interest, if any, payable under the Deposit Notes is linked to the performance of the prices of the following Commodities: <ul style="list-style-type: none">AluminumCopperCrude OilGoldNatural Gas <p>Brief descriptions of the Commodities in the Commodity Basket and information on their historical price performance are set out below under “THE COMMODITIES”.</p> <p>The Deposit Notes do not represent an interest in the Commodity Basket or any of the Commodities, and you will have no right or entitlement to the Commodity Basket. There is no requirement for us to hold any interest in a basket of commodities corresponding to the Commodity Basket or in the Commodities.</p>
Variable Interest:	Variable Interest, if any, per Deposit Note payable on the Maturity Date (subject to deferral in certain circumstances) will be an amount equal to the result obtained using the following formula:

$$\text{Variable Interest} = \$100.00 \times \text{Participation Rate} \times \text{Price Return}$$

The Participation Rate is 150%.

Generally stated, the Price Return will be the average of the Commodity Returns (each of which may be positive or negative) of the Commodities in the Commodity Basket. The Price Return of a Commodity is the percentage increase or decrease in the Reference Price of the Commodity measured from the Strike Setting Date to the second business exchange day prior to the Maturity Date.

Unless the Price Return is positive, we will not pay any Variable Interest to you on the Deposit Notes.

You cannot elect to receive Variable Interest, if any, prior to the Maturity Date.

See "CALCULATION OF VARIABLE INTEREST" below for the precise formula for determining Variable Interest, if any, and for example calculations, and see "DESCRIPTION OF THE DEPOSIT NOTES" for further details.

Currency Risk:

The performance of the Commodity Basket will be based solely upon the weighted average of the Price Returns of the five Commodities determined in their respective currencies and thus will be unaffected by changes in the exchange rate of Canadian dollars relative to the currencies in which the Reference Prices of the Commodities are determined.

Amounts Payable At Maturity:

The amount payable for each Deposit Note on the Maturity Date will be a Canadian dollar amount equal to the sum of (i) the Principal Amount, plus (ii) Variable Interest (subject to the provisions set out below under "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances"), if any. You do not have the right to retract or cause the redemption of the Deposit Notes prior to the Maturity Date. The amount and method of calculating Variable Interest and the timing of the payment of Variable Interest, if any, may be affected by Extraordinary Events. In all cases, the Principal Amount of the Deposit Note will only be payable at maturity.

Deferral of Payment:

In certain circumstances payment of Variable Interest, if any, at maturity may be deferred to ensure compliance with Canadian law regarding interest rates. See "Deferred Payment".

Special Circumstances:

If a Market Disruption Event in respect of a Commodity occurs on a Valuation Date, determination of the Reference Price of that Commodity will be postponed to a later date. See "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances".

Early Termination of Variable Interest :

The occurrence of an Extraordinary Event as determined by Scotia Capital may result in the early payment of Variable Interest, if any, to you. Notwithstanding the occurrence of a Market Disruption Event and/or an Extraordinary Event, the Principal Amount of each Deposit Note will not be repaid until the Maturity Date in any event. See "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances".

Eligibility for Investment:

The Deposit Notes, if issued on the date of this Information Statement, would be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Issuer or by an employer with which the Issuer does not deal at arm's length within the meaning of such Act).

Credit Rating:

As of the date of this Information Statement, our deposit liabilities with a term of more than one year were rated AA (low) by Dominion Bond Rating Service Limited, AA- by Standard & Poors Ratings Services and Aa3 by Moody's Investors Service Inc. The Deposit Notes have not been rated. There can be no assurance that if the Deposit Notes were specifically rated by these rating agencies that they would have the same rating as our 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 DEPOSIT NOTES - Credit Rating".

Secondary Market:

Scotia Capital intends to maintain a secondary market for the Deposit Notes, but

reserves the right not to do so in the future in its sole discretion, without providing prior notice to you. The Deposit Notes will not be listed on any stock exchange. **If you sell a Deposit Note to Scotia Capital within the first 720 days from the date of issuance you will receive proceeds equal to the Bid Price for the Deposit Note as determined by Scotia Capital minus any applicable Early Trading Charge. The Bid Price less any Early Trading Charge is referred to as the “Secondary Market Price”.** Due to the method used to price the Deposit Notes, the Bid Price determined by Scotia Capital may be substantially less than the values computed only with reference to the price performance of the Commodities. If you sell a Deposit Note prior to maturity, you may have to do so at a substantial discount from the original Principal Amount even if the performance of the Commodity Basket has been positive and, as a result, you may suffer substantial losses. See “DESCRIPTION OF THE DEPOSIT NOTES – Secondary Trading of Deposit Notes” and “RISK FACTORS”

Book-Entry Registration:

The Deposit Notes will be evidenced by a single global Deposit Note held by a depository (initially being The Canadian Depository for Securities Limited), or its nominee on its behalf, as registered holder of the Deposit Notes. Registration of the interests in and transfers of the Deposit Notes will be made only through its book-entry system. Subject to certain limited exceptions, you will not be entitled to any certificate or other instrument from us or the depository evidencing the ownership thereof and you will not be shown on the records maintained by the depository except through an agent who is a participant of the depository.

Status:

The Deposit Notes will constitute direct, unsubordinated and unsecured obligations of the Issuer ranking *pari passu* among themselves with all other direct, unsecured and unsubordinated indebtedness of the Issuer from time to time outstanding. You 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. The Deposit Notes will not be specifically rated.

Use of Proceeds:

The proceeds received by the Issuer from the issuance of the Deposit Notes will be deposits of the Issuer. The Issuer will use the Net Proceeds of the offering for its general banking purposes.

Risk Factors:

You should consider carefully certain risk factors set out under “RISK FACTORS” before reaching a decision to buy the Deposit Notes.

Calculation Agent:

Scotia Capital will act as the Calculation Agent, provided that we may appoint a successor calculation agent. The Calculation Agent will make all necessary calculations and determinations required in respect of the Deposit Notes. Due to the nature of the Deposit Notes, the calculations required, liquidity in the relevant markets and the fact that practicalities of facilitating purchases and sales of assets are notional only, exact and precise calculations may not be possible. The Calculation Agent’s calculations and determinations will be made in good faith and will, absent manifest error, be final and binding on the Investors.

Commission:

Upfront sales commission of 2.75% of the Principal Amount payable on the Issue Date paid by the Issuer to the Selling Agent.

CUSIP:

064149TR8

GLOSSARY

- “**Bank**” means The Bank of Nova Scotia and all of its affiliates.
- “**Banking Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Toronto, Ontario.
- “**Basket Weight**” means, in respect of a Commodity, the proportionate value it represents in the Commodity Basket, expressed as a percentage, whereby, at the Issue Date: (i) crude oil represents 20%; (ii) natural gas represents 20%; (iii) gold represents 20%; (iv) copper represents 20%; and (v) aluminum represents 20%.
- “**Bid Price**” means the price determined by the Calculation Agent for the Deposit Notes before the subtraction of the Early Trading Charge as described above under “DESCRIPTION OF THE DEPOSIT NOTES – Secondary Trading”.
- “**Business Exchange Day**” means, in respect of a Commodity, 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.
- “**Calculation Agent**” means Scotia Capital
- “**CDS**” means The Canadian Depository for Securities Limited.
- “**Commodity**” means each of Crude Oil, Natural Gas, Copper, Aluminum and Gold (collectively the “Commodities”).
- “**Commodity Basket**” means, collectively, each “Commodity”.
- “**Commodity Return**” means, in respect of a Commodity, the number (which may be positive or negative, and which is to be expressed as a percentage, rounded to two decimal places) calculated as follows:
- $$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$
- “**DBRS**” means Dominion Bond Rating Service.
- “**Deposit Note**” has the meaning ascribed thereto under “SUMMARY”.
- “**Early Trading Charge**” has the meaning ascribed thereto under “DESCRIPTION OF THE DEPOSIT NOTES – Secondary Trading”.
- “**Exchange**” means, in respect of copper, aluminum and gold, the LME and, in respect of crude oil and natural gas, the NYMEX, subject to the provisions set out below under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”.
- “**Exchange Disruption**” has the meaning ascribed thereto under “DESCRIPTION OF THE DEPOSIT NOTES - Special Circumstances”.
- “**Extraordinary Event**” has the meaning ascribed thereto under “DESCRIPTION OF THE DEPOSIT NOTES - Special Circumstances”.
- “**Extraordinary Event Notification Date**” has the meaning ascribed thereto under “DESCRIPTION OF THE DEPOSIT NOTES - Special Circumstances”.
- “**Final Date**” means, in respect of a Commodity, on or about the second Business Exchange Day prior to the Maturity Date, subject to the provisions set out below under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”.
- “**Final Price**” means, in respect of a Commodity, the Reference Price of such Commodity on the Final Date, as determined by the Calculation Agent.
- “**Initial Price**” means, in respect of a Commodity, the Reference Price of the Commodity on the Strike Setting Date as determined by the Calculation Agent, provided that, if the Strike Setting Date is not a Business Exchange Day in respect of such Commodity, then the Initial Price in respect of such Commodity means the Reference Price of such Commodity for the immediately following applicable Business Exchange Day as determined by the Calculation Agent, and further subject to the provisions set out below under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”.
- “**Investors**” means all holders of the Deposit Notes and each is an “Investor”.
- “**Issue Date**” has the meaning ascribed thereto under “SUMMARY”.

- “Issuer”** means The Bank of Nova Scotia.
- “LME”** means the London Metal Exchange Limited or its successor.
- “Market Disruption Event”** has the meaning ascribed thereto under “DESCRIPTION OF THE DEPOSIT NOTES - Special Circumstances”.
- “Maturity Date”** has the meaning ascribed thereto under “SUMMARY”.
- “Net Proceeds”** means \$97.25 per Deposit Note.
- “NYMEX”** means the New York Mercantile Exchange or its successor.
- “Offering”** means The Bank of Nova Scotia Commodity Linked Deposit Notes – Series 2.
- “Participation Rate”** means the rate applied to the Price Return to calculate the Variable Interest paid to Investors, being 150%.
- “Price”** means “Reference Price”.
- “Price Return”** means the average of the Commodity Returns for each of the Commodities in the Commodity Basket as determined by the Calculation Agent, provided that if such average is negative, then the Price Return shall be zero.
- “Price Source”** means in respect of a Commodity, the entity which publishes or reports (or such other origin of reference, including an Exchange) a Reference Price (or the information necessary for determining the Reference Price) for that Commodity.
- “Pricing Day”** means any day when a Reference Price is determined for the Commodities.
- “Reference Price”** for a Commodity and for a particular day (a “Pricing Day”) means, subject to the provisions set out below under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances” in respect of a Commodity, the official Reference Price for such Commodity as announced by the applicable Exchange as determined by the Calculation Agent, provided that, if on or after the Issue Date such Exchange materially changes the time of day at which such official Reference Price is determined or no longer announces such official Reference Price, The Issuer may thereafter deem the Reference Price to be the price of such Commodity as of the time of day used by such Exchange to determine the official Reference Price prior to such change or failure to announce:
- (a) for crude oil, that Pricing Day’s closing price per barrel of light sweet crude oil on the NYMEX of the first futures contract to expire following that Pricing Day, stated in US Dollars, as made public by the NYMEX and available on the exchange’s web site www.nymex.com or Reuters page ‘CLc1’ or Bloomberg page ‘CL1 CMDTY’ on that Pricing Day;
 - (b) for natural gas, that Pricing Day’s closing price per MMBTU of natural gas on the NYMEX of the first Henry Hub Natural Gas futures contract to expire following that Pricing Day, stated in US dollars, as determined and made public by the NYMEX and available on the exchange’s web site www.nymex.com or Reuters page ‘SETNGS’ or Bloomberg page ‘NG1 CMDTY’ on that Pricing Day;
 - (c) for gold, that Pricing Day’s London P.M. Fix. “London P.M. Fix” means that the price of gold will be that Valuation Date’s afternoon gold fixing price for unallocated gold bullion as determined by the London Gold Market (being the market in London on which members of the London Bullion Market Association or its Successors (the “LBMA”), among other things, quote prices for the buying and selling of gold complying with the rules of the LBMA relating to good delivery and fineness in effect from time to time), expressed in U.S. dollars per fine troy ounce as available on the association’s web site www.lbma.org.uk or Bloomberg page ‘GOLDLNPM CMDTY’ on that Pricing Day;
 - (d) for copper, that Pricing Day’s “cash offer” settlement price at 12:35 (London time) stated in US dollars per tonne of copper-Grade A on the LME, as determined and made public by the LME and available on the exchange’s web site www.lme.co.uk or Reuters page ‘MTLE’ or Bloomberg page ‘LOCADY CMDTY’ on that Pricing Day;
 - (e) for aluminum, that Pricing Day’s “cash offer” settlement price at 13:00 (London time) stated in US dollars per tonne of Primary Aluminum on the LME, as determined and made public by the LME and available on the exchange’s web site www.lme.co.uk or Reuters page ‘MTLE’ or Bloomberg page ‘LOAHDY CMDTY’ on that Pricing Day.

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

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

“Scotia Capital” means Scotia Capital Inc. and all its affiliates.

“Secondary Market Price” means, in respect of a Deposit Note, the price equal to (i) the Bid Price for the Deposit Note determined by Scotia Capital minus (ii) any applicable Early Trading Charge.

“Selling Agent” means Scotia Capital and any further agents that the Issuer permits to participate as a selling agent.

“Strike Setting Date” means, in respect of a Commodity, on or about the second Business Exchange Day prior to the Issue Date, subject to the provisions set out below under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”.

“Valuation Date” means a day on which the Initial Price or Final Price of a Commodity is scheduled to be determined for computing the return. The occurrence of a Valuation Date is subject to the provisions outlined under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”.

“Variable Interest” means the amount, if any, in addition to Principal paid to investors at maturity, as outlined under “CALCULATION OF VARIABLE INTEREST”

CALCULATION OF VARIABLE INTEREST

Variable Interest

Each Deposit Note will bear interest (referred to as Variable Interest), if any, payable in Canadian dollars. Variable Interest, if any, will be paid only on the Maturity Date, subject to (i) postponement of the determination of the amount of Variable Interest due to a Market Disruption Event or (ii) the earlier occurrence of an Extraordinary Event, as described under “DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances”. Payment of Variable Interest, if any, may be deferred in certain circumstances to ensure compliance with Canadian laws governing interest rates as described under “DESCRIPTION OF THE DEPOSIT NOTES – Deferred Payment”.

Variable Interest, if any, per Deposit Note payable on the Maturity Date will be an amount in Canadian dollars equal to the result obtained using the following formula:

$$\text{Variable Interest} = \$100.00 \times \text{Participation Rate} \times \text{Price Return}$$

Where:

The Participation Rate is 150%.

Price Return means the average of the Commodity Returns for each of the Commodities in the Commodity Basket, provided that if such average is negative, then the Price Return (and the Variable Interest) shall be zero.

The amount of Variable Interest, if any, that may be payable is uncertain. You will not be paid any Variable Interest if the average of the Commodity Returns of the Commodities in the Commodity Basket is not greater than zero. The performance of the Commodity Basket will be based solely upon the weighted average of the Price Returns of the five Commodities determined in their respective currencies and thus will be unaffected by changes in the exchange rate of Canadian dollars relative to the currencies in which the Reference Prices of the Commodities are determined. See “RISK FACTORS”

Example Calculations

The examples set out below demonstrate how Variable Interest, if any, is to be calculated and are included for illustrative purposes only. The Commodity Returns of the Commodities used to illustrate the calculation of Variable Interest are not estimates or forecasts of how the Commodities may perform from the Issue Date to the Final Date. The examples assume that you have purchased a single Deposit Note.

Example #1:

Assume:

- The Price Return of the Commodity Basket on the Final Date is positive.

Commodity	Initial Price	Final Price	Commodity Return to Final Date*
Aluminum	US\$2256.00	US\$2590.70	14.84%
Copper	US\$4581.50	US\$4253.20	-7.16%
Crude Oil	US\$60.60	US\$70.50	16.34%
Gold	US\$509.50	US\$565.00	10.89%
Natural Gas	US\$14.15	US\$16.95	19.79%
		Average of Commodity Returns To Final Date:	10.94%

*Commodity Return is the total return over the five and a half year term and not an annual rate of return.

In Example #1, for each Deposit Note, Variable Interest of \$16.41 ($\$100.00 \times 150\% \times 10.94\%$), plus the original Principal Amount of \$100.00, would be payable on the Maturity Date.

Example #2:

Assume:

- The Price Return of the Commodity Basket on the Final Date is negative.

Commodity	Initial Price	Final Price	Commodity Return to Final Date*
Aluminum	US\$2256.00	US\$2390.70	5.97%
Copper	US\$4581.50	US\$3580.10	-21.86%
Crude Oil	US\$60.60	US\$52.50	-13.37%
Gold	US\$509.50	US\$412.05	-19.13%
Natural Gas	US\$14.15	US\$12.32	-12.93%
		Average of Commodity Returns To Final Date:	-12.26%

*Commodity Return is the total return over the five and a half year term and not an annual rate of return.

In Example #2, for each Deposit Note, because the average of the Commodity Returns calculated to the Final Date is not positive, you would not receive any Variable Interest and would only receive the original Principal Amount of \$100.00 on the Maturity Date.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Statement from documents filed by the Issuer with securities commissions or similar authorities in Canada. Copies of the documents incorporated 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.

The following documents are specifically incorporated by reference into, and form an integral part of, this Information Statement:

- (a) the Issuer's Annual Information Form dated December 19, 2005;
- (b) the Issuer's Management Proxy Circular attached to the Notice of Meeting dated January 13, 2006 (excluding those portions which, pursuant to National Instrument 44-101 of the Canadian Securities Administrator, are not required to be incorporated by reference);

- (c) the Issuer's consolidated financial statements as at and for the years ended October 31, 2005 and 2004 together with the auditors' report thereon, including management's discussion and analysis of financial conditions and results of operations as contained in the Issuer's Annual Report for the year ended October 31, 2005; and
- (d) a material change report of the Issuer dated January 20, 2006 announcing certain changes to the Issuer's senior executive team.

Any documents of the type referred to in the preceding paragraph and any unaudited interim financial statements for three, six or nine month financial periods, any information circulars; any material change reports (excluding confidential material change reports), news releases containing financial information concerning the Issuer for periods following October 31, 2005 and any business acquisition reports for acquisitions completed after October 31, 2005 filed by the Issuer 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 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 other 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 it or superseded a prior statement or include any 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 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.

DESCRIPTION OF THE ISSUER

The Bank of Nova Scotia 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 Issuer has been a chartered bank under the *Bank Act* (Canada) (The "Bank Act"). The Issuer is a Schedule I bank under the Bank Act and the Bank Act is its charter. The head office is located at 1709 Hollis Street, Halifax, Nova Scotia and the executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1. A copy of the Issuer's by-laws are available on www.sedar.com.

In terms of total assets, the Issuer was the third largest Canadian chartered bank as at October 31, 2005. The Issuer is one of North America's premier financial institutions and Canada's most international bank. The Issuer is a full-service financial institution, active in both domestic and international markets. In Canada the Issuer provides a full range of retail, commercial, corporate, investment and wholesale banking services through its extensive network of branches and offices in all 10 provinces and two territories. With 46,631 employees, the Issuer, and its affiliates, have branches and offices serving approximately 10 million customers in close to 50 countries, which provide a wide range of banking and financial services, either directly or through subsidiary and associated banks, trust companies and other financial institutions.

The Issuer has three major business lines: Domestic Banking, International Banking and Scotia Capital. Each of these three business lines is discussed below and additional information on each of the Issuer's business lines is available in the 2005 Management's Discussion and Analysis found on page 51 of the Annual Report.

Domestic Banking

The Issuer's Domestic Banking business line provides a full range of banking and investment services to retail and small business banking, commercial and wealth management customers across Canada. Retail Banking provides a full range of financial products and services to over 6.8 million customers through a network of 954 branches and 2,624 ABMs, as well as telephone and internet banking. The Retail Banking division supplies mortgages, loans, credit cards and day-to-day banking products to individuals and small businesses. The Wealth Management division provides retail

brokerage, mutual funds and private client services. The Commercial Banking division delivers a full product suite to medium and large businesses. As well, merchant banking services are provided through one of the Issuer's subsidiaries, Roynat Capital Inc.

International Banking

The Issuer's International Banking business line operates in more than 40 countries and includes operations in three geographic regions: the Caribbean and Central America, Latin America and Asia Pacific. International Banking includes the Issuer's retail and commercial banking operations outside of Canada. Including the Issuer's subsidiaries and affiliates, more than 22,000 employees worldwide provide a full range of services to almost three million customers. In the Caribbean and Central America, the Issuer operates in 25 countries with 366 branches and offices and a network of 775 ABMs and provides customers with a broad range of personal and commercial banking services. In Mexico, Grupo Financiero Scotiabank Inverlat has 444 branches and offices and a network of 1,046 ABMs. It provides more than 1.3 million personal, commercial and corporate customers with a full range of banking products and services, along with select capital markets capabilities. In Latin America, the Issuer's holdings include Scotiabank Sud Americano in Chile, and affiliates in Peru and Venezuela. In Chile, the Issuer operates 57 branches and offices and a network of 115 ABMs and provides personal, commercial and corporate banking services. In the Asia Pacific region, the Issuer operates in nine countries with 24 branches and offices. Our business in these countries is primarily focused on commercial banking and trade finance, with some wholesale banking.

Scotia Capital

Scotia Capital provides full service wholesale banking to corporate, government and investor clients across the NAFTA region as well as other selected niche markets globally. Scotia Capital was reorganized into two main businesses, effective November 1, 2005. Global Corporate and Investment Banking provides corporate lending, equity underwriting and mergers & acquisitions advisory services. Global Capital Markets provides products and services such as fixed income; derivatives; foreign exchange; equity sales, trading and research; and, through ScotiaMocatta, precious metals.

DESCRIPTION OF THE DEPOSIT NOTES

Issue

Commodity Linked Deposit Notes, Series 2, will be issued by the Issuer on the Issue Date. The Issuer reserves the right to issue the Deposit Notes in such aggregate number as the Issuer may determine in its absolute discretion. The Issuer reserves the right to close the subscription books at any time.

Principal Amount and Minimum Subscription

Each Deposit Note will be issued in a face amount of \$100.00 (also referred to as the Principal Amount). The minimum subscription per Investor will be fifty (50) Deposit Notes (\$5000).

Maturity and Repayment of Principal Amount

Each Deposit Note will mature on the Maturity Date, on which date, absent an Extraordinary Event the Investor will receive the Principal Amount (\$100.00 per Deposit Note). However, if the Maturity Date does not occur on a Banking Day, then the Maturity Date will be deemed to occur on the next following Banking Day and no interest or other compensation will be paid in respect of such postponement.

Variable Interest

Each Deposit Note will bear Variable Interest, if any, in an amount in Canadian dollars, as described herein, which Variable Interest, will be paid on the Maturity Date, subject to deferral in the circumstances described under "DESCRIPTION OF THE DEPOSIT NOTES – Deferred Payment".

Variable Interest, if any, will be determined by the Calculation Agent in accordance with the formula and related definitions specified under "CALCULATION OF VARIABLE INTEREST".

The amount of Variable Interest, if any, will depend upon the performance of the Commodities. It is possible that no Variable Interest will be payable. No Variable Interest will be paid if the Price Return is not greater than zero. See "Risk Factors – No Variable Interest May be Payable".

Variable Interest, if any, will be paid by the Issuer to the Investor on the Maturity Date. However, the timing and manner of determining Variable Interest may be affected by the occurrence of an Extraordinary Event or Market Disruption Event. See “Special Circumstances”.

An Investor cannot elect to receive Variable Interest before the Maturity Date.

Currency

All amounts expressed herein are in Canadian currency unless otherwise specified. The performance of the Commodity Basket will be based solely upon the weighted average of the Price Returns of the five Commodities determined in their respective currencies and thus will be unaffected by changes in the exchange rate of Canadian dollars relative to the currencies in which the Reference Prices of the Commodities are determined.

Credit Rating

The Deposit Notes have not been rated. As of the date of this Information Statement, the deposit liabilities of the Issuer with a term to maturity of more than one year are rated AA(low) by DBRS, AA- by S&P and Aa3 by Moody’s. There can be no assurance that, if the Deposit Notes were specifically rated by these rating agencies, they would have the same rating as the other deposit liabilities of the Issuer. 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.

Use of Proceeds

The Net Proceeds received by the Issuer from the issuance of the Deposit Notes will be deposits of the Issuer. The Issuer will use the Net Proceeds of the Offering for its general banking purposes.

Secondary Trading of Deposit Notes

The Deposit Notes will not be listed on any stock exchange. However, Investors may be able to sell Deposit Notes prior to maturity in any available secondary market. Scotia Capital intends to maintain a secondary market for the Deposit Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Investors. Each sale of a Deposit Note to Scotia Capital will be effected at a price equal to (i) the Bid Price for the Deposit Note determined by Scotia Capital minus (ii) any applicable Early Trading Charge. This will be the Secondary Market Price.

The Bid Price for a Deposit Note will be affected by a number of factors, the most important of which are: (i) the principal amount of the Deposit Note which is payable on maturity, and (ii) the expected value of the Variable Interest. 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 Deposit Note will be worth. The expected value of the Variable Interest will be a function of a number of variables, including but not limited to: (a) the volatility of the Commodities, (b) the remaining term to maturity, (c) the price performance of the Commodities, (d) the correlation between the price performance of the Commodities, and (e) prevailing interest rates. Due to the method used to price the Variable Interest, the expected value of the Variable Interest may be substantially less than the value computed only with reference to the price performance of the Commodities.

If an Investor sells Deposit Notes prior to maturity, the Investor may have to do so at a substantial discount from the original Principal Amount even if the performance of the Commodity Basket has been positive and, as a result, the Investor may suffer substantial losses. See “Risk Factors – Liquidity Risk and Secondary Market”

In addition to these factors, during the first 720 days following the issuance of the Deposit Notes, an Early Trading Charge will apply. The Early Trading Charge will be equal to a percentage of the Principal Amount of the Deposit Note determined as follows:

If Sold Within	Early Trading Charge
0-90 days	5.00%
91-180 days	4.25%
181-270 days	3.50%
271-360 days	3.00%
361-450 days	2.50%
451-540 days	2.00%
541-630 days	1.50%
631-720 days	1.00%
Thereafter	Nil

An Investor should be aware that any price for the Deposit 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 Deposit Notes prior to the Maturity Date should consult with his or her investment advisor on whether the Investor will bear the Early Trading Charge and, if so, how much it will be.

The Deposit 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 on whether it would be more favourable in the circumstances at any time to sell Deposit Notes (assuming the availability of a secondary market) or hold Deposit 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 Deposit Note until the Maturity Date. See “CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” below.

Special Circumstances

Over the term of the Deposit Notes, certain events affecting the Commodities in the Commodity Basket may occur. Following the occurrence of any such event, the Calculation Agent may be required to make decisions with respect to the Deposit Notes relating to the payment and/or calculation of Variable Interest and the valuation of the Commodities in the Commodity Basket.

In connection with the foregoing, the Calculation Agent will make its calculations and determinations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result; provided, however, that absent manifest error, all of the Calculation Agent’s calculations and determinations will be final and binding on Investors, without any liability on the part of the Issuer or the Calculation Agent’s, and Investors will not be entitled to any compensation from the Issuer or the Calculation Agent for any loss suffered as a result of any of the Calculation Agent’s calculations or determinations. See “Risk Factors”.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) in respect of a Commodity in the Commodity Basket has occurred and is continuing on any date that, but for that event, would be a Valuation Date in respect of such Commodity, then Variable Interest, if any, will be calculated (and the applicable Reference 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 Commodity.

However, there will be a limit for postponement of any Valuation Date. If on the eighth Business Exchange Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, despite the occurrence of any Market Disruption Event in respect of such Commodity on or after such eighth Business Exchange Day:

- (i) such eighth Business Exchange Day shall be the Valuation Date in respect of such Commodity, and
- (ii) the Reference Price of such Commodity for such Valuation Date used for determining the relevant value of such Commodity in the calculation of Variable Interest will be a value determined by the Calculation Agent, in its discretion, to be the Reference Price of such Commodity as at such Valuation Date taking into account all market circumstances considered by it to be relevant, acting reasonably

A Market Disruption Event may delay the determination of a Commodity Return and, consequently, the calculation of Variable Interest, if any, payable on the Maturity Date. In such circumstances, the Issuer may delay such payment until the third Banking Day after all Commodity Returns have been determined.

“Market Disruption Event” means, in respect of a Commodity, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Issuer or any person that does not deal at arm’s length with the Issuer which has or will have or would have a material adverse effect on the ability of equity or commodity dealers generally to place, maintain, unwind or modify hedges of positions in respect of such Commodity. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure for trading to commence, or the permanent discontinuation of trading, or any suspension or limitation on trading of the Commodity or any futures or options contracts in respect of the Commodity on the applicable Exchange or Related Exchange, or the occurrence of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants (including the Issuer) in general to (i) effect transactions in, or obtain market values for, the Commodity on the applicable Exchange or Related Exchange, or (ii) effect transactions in, or obtain market values for, futures or options contracts in respect of the Commodity on the applicable Exchange or Related Exchange (collectively, an “Exchange Disruption”);
- (b) the failure of a Price Source for a Commodity to announce or publish the Reference Price for that Commodity (or the information necessary for determining the Reference Price), or the temporary or permanent

- discontinuance or unavailability of the Price Source (collectively, a “Price Source Disruption”);
- (c) 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 Issuer and/or the Calculation Agent to perform its obligations under the Deposit Notes or for equity or commodity dealers generally to place, maintain, unwind or modify hedges of positions in respect of such Commodity;
 - (d) 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, or may reasonably be expected to have, a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange or Related Exchange is located; or
 - (e) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has, or may reasonably be expected to have, a material adverse effect on the ability of the Issuer or the Calculation Agent to perform its obligations under the Deposit Notes or of equity or commodity dealers generally to place, maintain, unwind or modify hedges of positions with respect to such Commodity or a material and adverse effect on the economy of Canada or the trading of Commodities, or securities generally on any relevant Exchange or Related Exchange.

Adjustments Due to Material Change in Content of Commodity or Reference Price Determination

If, at any time prior to the Maturity Date, there occurs a material change in the content, composition, or constitution of the Commodity as specified by the applicable Exchange or Price Source for determining the Reference Price of that Commodity, or there is a material change in any formula for or the method of calculating such Reference Price, the Calculation Agent may make such adjustments as the Calculation Agent reasonably determines appropriate, to the Initial Price of that Commodity and/or formula for determining the Commodity Return to account for such material change.

Extraordinary Event May Produce Early Variable Interest Payment

If the Calculation Agent determines that one or more Market Disruption Events in respect of one or more Commodities has occurred and is continuing, and if any such Market Disruption Event has continued for at least eight consecutive Business Exchange Days (an “Extraordinary Event”), the Issuer may, at its option upon notice to the Investors to be given effective on a Business Exchange Day (the date of such notification being the “Extraordinary Event Notification Date”), elect to accelerate the determination and payment of Variable Interest, if any, on all outstanding Deposit Notes (and thus discharge its obligations in respect of Variable Interest). Upon such election, Variable Interest, if any, per Deposit Note will be determined and calculated as of the Extraordinary Event Notification Date, subject to the following:

- (i) the Final Price of a Commodity shall be determined as of the Extraordinary Event Notification Date;
- (ii) the Reference Price for a Commodity in respect of which the Market Disruption Event has occurred and is continuing shall be a value estimated by the Calculation Agent as at such date taking into consideration the last available Reference Price for that Commodity, the relevant market circumstances on the Extraordinary Event Notification Date, and any other information that in good faith it deems relevant; and
- (iii) the Calculation Agent shall make such adjustments, if any, to the formula for calculating Variable Interest 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 Extraordinary Event Notification Date, rather than on the fourth Business Exchange Day preceding the Maturity Date had an Extraordinary Event not occurred.

In such circumstances, payment of Variable Interest, if any, per Deposit Note will be made no later than the tenth Banking Day after the Extraordinary Event Notification Date.

In the case of an Extraordinary Event, payment of the Principal Amount per Deposit Note will not be accelerated and will remain due and payable only on the Maturity Date.

If the Calculation Agent determines that an Extraordinary Event has occurred in respect of one or more Commodities and the Extraordinary Event is the result of an Exchange Disruption or a Price Source Disruption, then, in lieu of accelerating the determination and payment of any Variable Interest, the Issuer may, in consultation with the Calculation Agent, use an alternative Exchange or Price Source, as applicable, to determine the Reference Price for the affected Commodity, or replace the Reference Price for an affected Commodity with an alternative reference price or

basis for determining the reference price for that Commodity that, in the reasonable determination of the Calculation Agent, most closely approximates the Reference Price for that Commodity, and thereafter such alternative reference price or alternative basis for determining the reference price shall be the Reference Price for such Commodity.

Forms of the Deposit Notes

Each Deposit Note will generally be represented by a global Deposit Note representing the entire issuance of Deposit Notes. The Issuer will issue Deposit Notes evidenced by certificates in definitive form to a particular Investor only in limited circumstances. Any certificated Deposit Notes in definitive form and any global Deposit Note will be issued in registered form, whereby the Issuer's obligation will be to the holder of the security named on the face of the security. Definitive Deposit Notes if issued will name Investors or their nominees as the owners of the Deposit Notes, and in order to transfer or exchange these definitive Deposit Notes or to receive payments other than interest or other interim payments, the Investors or nominees (as the case may be) must physically deliver the Deposit Notes to the Issuer. A global Deposit Note will name a depository or its nominee as the owner of the Deposit Notes, initially to be The Canadian Depository for Securities Limited ("CDS") or its nominee. Each Investor's beneficial ownership of Deposit Notes will be shown on the records maintained by the Investor's broker/dealer, bank, trust company or other representative that is a participant in the relevant depository, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant depository. Neither the Issuer nor any depository will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equity that may be subsisting with respect to any Deposit Note.

Global Deposit Note

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

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

Ownership of beneficial interests in a global Deposit Note will be limited to persons, called participants, that have accounts with the relevant depository or persons that may hold interests through participants. Upon the issuance of a registered global Deposit Note, the depository will credit, on its book-entry registration and transfer system, the participants' accounts with the respective Principal Amounts of the Deposit Notes beneficially owned by the participants. Any dealers participating in the distribution of the Deposit Notes will designate the accounts to be credited. Ownership of beneficial interests in a registered global Deposit Note will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, 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 depository, or its nominee, is the registered owner of a registered global Deposit Note, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the Deposit Notes represented by the registered global Deposit Note for all purposes. Except as described below, owners of beneficial interests in a registered global Deposit Note will not be entitled to have the Deposit Notes represented by the registered global Deposit Note registered in their names, will not receive or be entitled to receive physical delivery of the Deposit Notes in definitive form and will not be considered the owners or holders of Deposit Notes. Accordingly, each person owning a beneficial interest in a registered global Deposit Note must rely on the procedures of the depository for that registered global Deposit 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 a holder. The Issuer understands that under existing industry practices, if the Issuer requests any action of holders or if an owner of a beneficial interest in a registered global Deposit Note desires to give or take any action that a holder is entitled to give or take in respect of the Deposit Notes, the depository for the registered global Deposit 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 holding through them.

Payments on the Deposit Notes represented by a registered global Deposit Note registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the registered global Deposit Note. The Issuer 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 Deposit Note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

The Issuer expects that the depository for any of the Deposit Notes represented by a registered global Deposit Note, upon receipt of any payment on the Deposit Notes, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global Deposit Note as shown on the records of the depository. The Issuer also expects that payments by participants to owners of beneficial interests in a registered

global Deposit 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 Deposit Notes

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

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

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

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

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

No transfer of a definitive Deposit 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 Issuer or its agent, and upon compliance with such reasonable conditions as may be required by the Issuer or its agent and with any requirement imposed by law, and entered on the register.

Payments on a definitive Deposit 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 Deposit Notes are to be recorded or, if requested in writing by the Investor at least five Banking Days before the date of the payment and agreed to by the Issuer, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Deposit Note is conditional upon the Investor first delivering the Deposit Note to the Issuer which reserves the right, in the case of payment of Variable Interest prior to the Maturity Date, to mark on the Deposit Note that Variable Interest has been paid in full, or, in the case of payment of Variable Interest and the Principal Amount under the Deposit Note in full at any time, to retain the Deposit Note and mark the Deposit Note as cancelled.

Deferred Payment

Federal laws of Canada preclude the charging of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. When any payment is to be made by the Issuer to an Investor at the Maturity Date, payment of a portion of such payment constituting a Variable Return that would exceed 60% per annum may be deferred to ensure compliance with such laws. In addition, the Issuer may withhold a portion of any payment to an Investor that the Issuer is legally able or required to withhold. The Issuer will pay the portion so deferred to the Investor together with interest at the Issuer's equivalent term deposit rate as soon as Canadian law permits.

Status

The Deposit Notes will constitute direct, unsubordinated and unsecured obligations of the Issuer ranking *pari passu* among themselves with all other direct, unsecured and unsubordinated indebtedness of the Issuer from time to time outstanding. Investors will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act*. The Deposit Notes will not be specifically rated.

Plan of Distribution

Each Deposit Note will be issued for a Subscription Price of 100% of the Principal Amount thereof (i.e., \$100.00). The Subscription Price was determined by negotiation between the Issuer and the Selling Agent. Currently the Selling Agent is a wholly owned subsidiary of the Issuer. As a result the Issuer is a related issuer of the Selling Agent under

applicable securities legislation.

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.

The Issuer will pay the Selling Agent an upfront sales commission of 2.75% of the Principal Amount payable on the Issue Date. The commission payable to the Selling Agent will be paid on account of services rendered in connection with the Offering and will be paid out of the general funds of the Issuer. 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 fees. While the Selling Agent has agreed to use its best efforts to sell the Deposit Notes offered hereby, the Selling Agent will not be obligated to purchase any Deposit Notes which are not sold. For greater certainty, the Selling Agent may purchase Deposit Notes offered hereby as principal.

The closing of this Offering is scheduled to occur on or about March 9, 2006 (the "Closing Date"). The Issuer may, at any time prior to the Closing Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes.

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 Closing Date. Subject to certain exceptions, certificates evidencing the Deposit Notes will not be available to Investors under any circumstances and registration of interests in and transfer of Deposit Notes will be made through the Book-Entry System of CDS. See "DESCRIPTION OF THE DEPOSIT NOTES —Book-Entry Only System".

In connection with the issue and sale of the Deposit Notes by the Issuer, 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 Issuer does not accept responsibility for any information not contained herein. 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 Deposit Notes have not, and will not be, registered under 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.

Dealers may from time to time purchase and sell Deposit 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 Issuer reserves the right to issue additional Deposit Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Deposit Notes offered hereby, which may be offered by the Issuer concurrently with the Offering of Deposit Notes. The Issuer further reserves the right to purchase for cancellation at its discretion any amount of Deposit Notes in a secondary market, without notice to Investors.

Dealings in Commodities

The Issuer may from time to time, in the course of its normal business operations, hold interests linked to any Commodity. The Issuer has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances and shall not take into account the effect, if any, of such actions on the value of any Commodity or the amount of Variable Interest, if any, that may be payable on the Deposit Notes.

Notification

All notices to Investors regarding the Deposit Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to the applicable depository (initially being CDS) and its relevant participants, or (ii) in the case where the Deposit Notes are directly registered in the Investors' names and issued in definitive form, if such notices are mailed or otherwise delivered 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.

Investors' Right of Rescission

A person may rescind any order to buy a Deposit Note (or its purchase if issued) within 48 hours of the earlier of actual receipt and deemed receipt of the Information Statement. Upon rescission, the person is entitled to a refund of the Principal Amount. This rescission right does not extend to Investors buying a Deposit Note in the secondary market. 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 machine, if provided by fax; (iii) five days after the postmark date, if provided by mail, and (iv) when it is received, in any other case.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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 Deposit Notes by an Investor (“Initial Holder”) who purchases Deposit Notes at the time of their issuance. This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the *Income Tax Act* (Canada) (the “Act”), is a resident of Canada, deals at arm’s length, and is not affiliated, with the Issuer and holds Deposit Notes as capital property. The Deposit Notes will generally be considered to be capital property to an Initial Holder unless (i) the Initial Holder holds the Deposit Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired the Deposit Notes as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Deposit Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Deposit Notes as capital property may be entitled to make an irrevocable election to have the Deposit Notes and all of the Initial Holder’s other “Canadian securities” deemed to be capital property pursuant to subsection 39(4) of the Act. This summary does not apply to an Initial Holder 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”), the current published administrative and assessing practices of the Canada Revenue Agency (the “CRA”) and all specific proposals to amend the Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or the CRA’s administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Deposit 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 Deposit Notes, based on their particular circumstances.

Variable Interest

A Deposit Note is a “prescribed debt obligation” within the meaning of the Act. The rules in the Regulations applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on the CRA’s administrative practice with regard to prescribed debt obligations, there should be no deemed accrual of the Variable Interest on the Deposit Notes under these provisions prior to the Maturity Date, provided that no Extraordinary Event has occurred. Where a payment of the Variable Interest takes place prior to the Maturity Date as a result of an Extraordinary Event, the full amount of such payment will be included in the Initial Holder’s income in the taxation year of the Initial Holder in which the Variable Interest becomes calculable except to the extent that any amount of Variable Interest has been included in the Initial Holder’s income for that or a preceding year. The Issuer will file an information return with the CRA in respect of any such deemed interest required to be included in an Initial Holder’s income and will provide the Initial Holder with a copy of such return.

Disposition of Deposit Notes

On a disposition of a Deposit Note at the Maturity Date, an Initial Holder will be required to include in income for the taxation year in which the disposition occurs, the amount, if any, of the Variable Interest, except to the extent otherwise included in income in the taxation year or a preceding taxation year. The Issuer will file an information return with the CRA in respect of any such amount to be included in an Initial Holder’s income and will provide the Initial Holder with a copy of such return. The Initial Holder will realize a capital gain (or a capital loss) to the extent that the proceeds received from the Issuer, less the Variable Interest so included in income, exceed (or are less than) the aggregate of the Initial Holder’s adjusted cost base of the Deposit Note and any reasonable costs of disposition.

In certain circumstances, where an Initial Holder assigns or otherwise transfers a 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 Initial Holder'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. Prior to the date on which the Issuer has given notice of its intention to pay Variable Interest prior to the Maturity Date, there should be no amount in respect of Variable Interest that will be treated as accrued interest on an assignment or transfer of a Deposit Note prior to the Maturity Date. Except as described above regarding a payment at the Maturity Date, while the matter is not free from doubt, an amount received by an Initial Holder on a disposition or deemed disposition of a Deposit Note should give rise to a capital gain (or capital loss) to the extent proceeds of disposition exceed (or are less than) the aggregate of the Initial Holder's adjusted cost base of the Deposit Note and any reasonable costs of disposition. Initial Holders who dispose of Deposit Notes prior to the Maturity Date should consult their tax advisors with respect to their particular circumstances.

One-half of a capital gain realized by an Initial Holder must be included in the income of the Initial Holder. One-half of a capital loss realized by an Initial Holder 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.

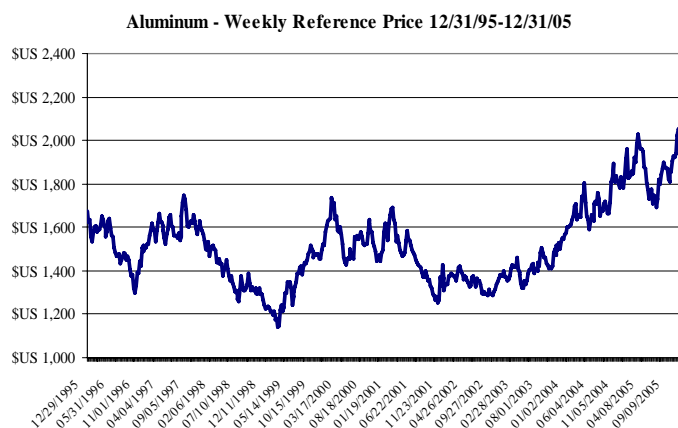
Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

THE COMMODITIES

All information in this Information Statement relating to the Commodities is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither the Issuer, Calculation Agent, Selling Agent nor any investment dealer, broker or agent selling the Deposit Notes assumes any responsibility for the accuracy or completeness of such information. The charts showing historical price performances of the various Commodities include in each case weekly Reference Prices from and including December 31, 1995 to and including December 31, 2005. Prices displayed in the charts are in Canadian dollars. **Historical performance of a Commodity will not necessarily predict, or be indicative of, future performance of any Commodity or the Deposit Notes.**

Aluminum

Aluminum is a silvery-white, ductile metallic element, one of the most abundant metals in the earth's crust but usually found only in combination, chiefly in bauxite. Having good conductive and thermal properties, it is used to form many hard, light, corrosion-resistant alloys

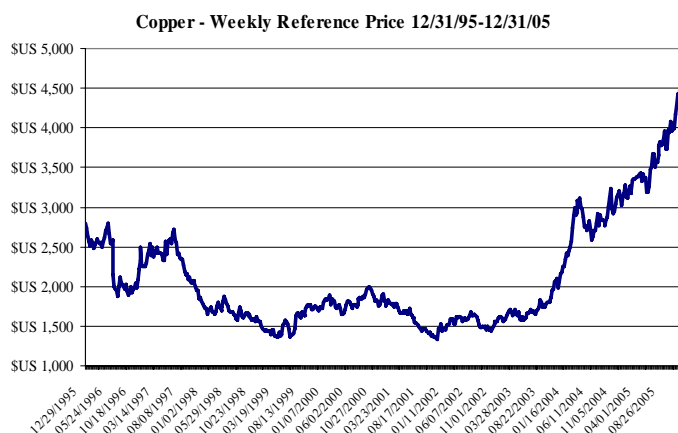


Source: Bloomberg

The chart above shows the weekly Reference Price of aluminum from December 31, 1995 to December 31, 2005. The Reference Price was US\$1675.00 on December 31, 1995 and US\$2285.00 on December 31, 2005. The highest Reference Price during this period was US\$2286.00 and the lowest Reference Price was US\$1141.00 while the mean Reference Price was US\$1523.75.

Copper

Copper is a ductile, malleable, reddish-brown metallic element that is an excellent conductor of heat and electricity and is widely used for electrical wiring, water piping, and corrosion-resistant parts, either pure or in alloys such as brass and bronze



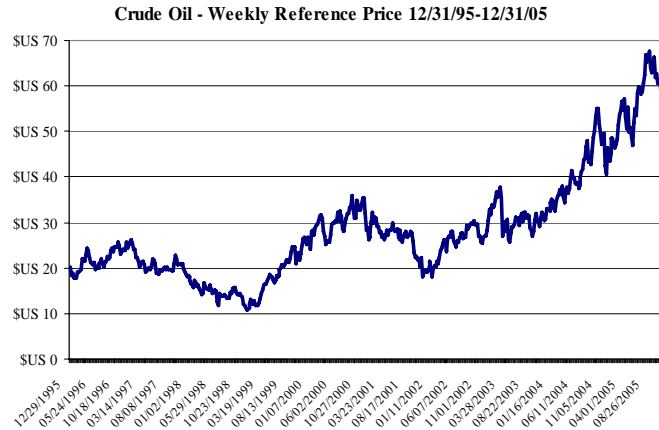
Source: Bloomberg

The chart above shows the weekly Reference Price of copper from December 31, 1995 to December 31, 2005. The Reference

Price was US\$2797.00 on December 31, 1995 and US\$4584.50 on December 31, 2005. The highest Reference Price during this period was US\$4615.00 and the lowest Reference Price was US\$1339.50 while the mean Reference Price was US\$2112.18.

Crude Oil

Crude oil is a naturally occurring liquid which all of the major refined oils of the world are produced from. Crude oil is the world's most actively traded commodity. Crude oil must be broken down into its various components by distillation before these chemicals and compounds can be used as fuels or converted to more valuable products. Crude oil is classified as either "sweet crude" (sulphur content less than 0.5 percent) or "sour crude," (at least 2.5 percent sulphur). Light, sweet (low sulphur) crudes are preferred by refiners because of their relatively high yields of high-value products such as gasoline, diesel fuel, heating oil and jet fuel.

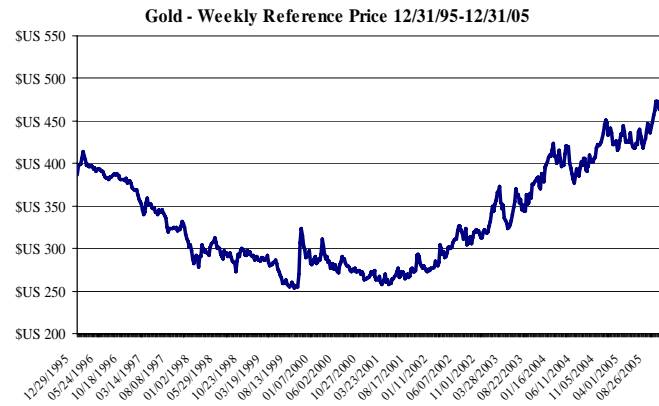


Source: Bloomberg

The chart above shows the weekly Reference Prices of crude oil from December 31, 1995 to December 31, 2005. The Reference Price was US\$19.55 on December 31, 1995 and US\$61.04 on December 31, 2005. The highest Reference Price during this period was US\$67.57 and the lowest Reference Price was US\$10.79 while the mean closing price was US\$28.83.

Gold

Gold is a soft, yellow, corrosion-resistant element, one of the most malleable and ductile metals, occurring generally in veins and alluvial deposits and recovered by mining or by panning or sluicing. A good thermal and electrical conductor, gold is generally alloyed to increase its strength, and it is used as an international monetary standard, in jewelry, for decoration, and as a plated coating on a wide variety of electrical and mechanical components.

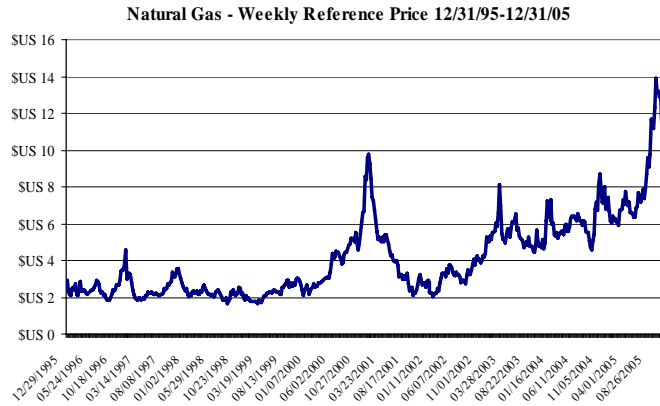


Source: Bloomberg

The chart above shows the weekly Reference Price of gold from December 31, 1995 to December 31, 2005. The Reference Price was US\$387.00 on December 31, 1995 and US\$513.00 on December 31, 2005. The highest Reference Price during this period was US\$525.50 and the lowest Reference Price was US\$253.80 while the mean Reference Price was US\$337.24.

Natural Gas

Natural Gas is a natural mixture of gaseous hydrocarbons that occurs with petroleum deposits. The composition of natural gas varies in different localities. Its chief component is methane (usually 80-95%) with the remainder comprised of ethane, propane, butane, and other hydrocarbon compounds. It is used as a fuel and in the manufacture of organic compounds.



Source: Bloomberg

The chart above shows the weekly Reference Price of natural gas from December 1, 1995 to December 9, 2005. The Reference Price was US\$2.757 on December 31, 1995 and US\$11.225 on December 31, 2005. The highest Reference Price during this period was US\$14.31 and the lowest Reference Price was US\$1.63 while the mean closing price was US\$4.19.

RISK FACTORS

- **Suitability of Deposit Notes for Investment** – A person should reach a decision to invest in the Deposit Notes only after carefully considering, with his or her investment, legal, accounting, tax and other advisors, the suitability of the Deposit Notes in light of his or her investment objectives and the information set out in this Information Statement. For instance, an investment in a Deposit Note is not suitable for a person seeking a guaranteed or fixed rate of return. The Issuer, the Selling Agent and the Calculation Agent make no recommendation as to the suitability of the Deposit Notes for investment by any particular person. The Deposit Notes have certain investment characteristics that differ from fixed income investments. The Deposit Notes may not provide Investors with Variable Interest prior to or at the Maturity Date, nor do they provide a return in excess of the Principal Amount at the Maturity Date. Therefore, an investment in the Deposit Notes is only suitable for Holders prepared to assume risks with an investment whose return is tied to the performance of the Commodities. The Principal Amount is only repaid if the Deposit Notes are held to the Maturity Date. The Deposit Notes are not conventional indebtedness. The Deposit Notes could produce no yield. Therefore, the Deposit Notes are not suitable investments for Holders who need or expect a positive annual return.
- **No Variable Interest May Be Payable** – Variable Interest, if any, payable on the Deposit Notes is directly linked to the Commodity Returns (each of which may be positive or negative) of the Commodities in the Commodity Basket. Unless the Price Return is positive at maturity, no Variable Interest will be payable on the Deposit Notes.
- **Variable Interest Not the Same as Owning the Commodities** – Variable Interest, if any, on the Deposit Notes will not necessarily reflect the return an Investor would realize if the Investor actually owned the Commodities .
- **Historical Performance of the Commodities is not an Indication of Future Performance** – Variable Interest, if any, will be determined on the basis of the price performance of the Commodities. The historical price performance of the Commodities is not necessarily indicative of the future price performance of those Commodities. Trading prices of the Commodities will be influenced by complex and interrelated political, economic, financial and other factors.
- **Liquidity Risk and Secondary Market** – The Principal Amount and Variable Interest, if any, per Deposit Note are only payable at maturity (subject, in the case of Variable Interest, to the occurrence of an Extraordinary Event) and deferral of payment in certain circumstances. An Investor cannot elect to receive Variable Interest prior to the Maturity Date. The Deposit Notes will not be listed on any stock exchange. However, Scotia Capital intends to maintain a secondary market for the Deposit Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Investors. Investors may sell the Deposit Notes in any such secondary market prior to maturity. The Secondary Market Price of the Deposit Note will be affected by a number of factors, the most important of which are: (i) the principal amount of the Deposit Note which is payable on maturity, and (ii) the expected value of the Variable Interest. Generally the longer the term to maturity, and the higher the prevailing interest rates at the time such Secondary Market Price is obtained, the less the Deposit Note will be worth. The expected value of the Variable Interest will be a function of a number of variables, including but not limited to: (a) the volatility of the Commodities, (b) the remaining term to maturity, (c) the price performance of the Commodities, (d) the correlation between the price performance of the Commodities, and (e) prevailing interest rates. The relationship between these factors is complex and may also be influenced by various political, economic and other factors. Due to the method used to price the Variable Interest, if any, the expected value of the Variable Interest may be substantially less than the value computed only with reference to the price performance of the Commodities. If an Investor sells Deposit Notes prior to maturity, the Investor may have to do so at a substantial discount from the original Principal Amount even if the performance of the Commodity Basket has been positive and, as a result, the Investor may suffer substantial losses. An Investor who sells a Deposit Note prior to the Maturity Date may have to pay an Early Trading Charge to Scotia Capital of up to 5.00% of the Principal Amount.
- **Potential Conflicts of Interest between the Investor and The Bank of Nova Scotia** – The Bank of Nova Scotia is the Issuer of the Deposit Notes. Scotia Capital, a wholly owned subsidiary of the Issuer will, as the Calculation Agent, also calculate the amount, if any, of Variable Interest paid to Investors at maturity. Scotia Capital may also be required to exercise its judgment in relation to the Deposit 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 calculations and determinations. While the Calculation Agent is required to make such calculations and determinations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result, absent manifest error, all of the Calculation Agent's calculations and determinations will be final and binding on Investors, without any liability on the

Calculation Agent's, the Selling Agent's or the Issuer's part, and Investors will not be entitled to any compensation from the Calculation Agent, Selling Agent or the Issuer for any loss suffered as a result of any of the Calculation Agent's calculations and determinations. Since the Calculation Agent's calculations and determinations may affect the market value of the Deposit Notes, the Issuer may have a conflict of interest if the Calculation Agent needs to make any such calculations and determinations.

- **Market Disruption Event** – If a Market Disruption Event occurs on the Valuation Date, the determination of that Reference Price (and possibly any subsequent payment of Variable Interest, if any) may be delayed. Fluctuations in the Reference Price of the Commodity may occur in the interim. If the Calculation Agent determines that a Market Disruption Event in respect of a Commodity in the Commodity Basket has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of such Commodity, then Variable Interest will be calculated (and the applicable Reference 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 Commodity.
- **Extraordinary Event** - If the Calculation Agent determines that one or more Market Disruption Events in respect of one or more Commodities has occurred and is continuing, and if any such Market Disruption Event has continued for at least eight consecutive Business Exchange Days (an "Extraordinary Event"), the Issuer may, at its option upon notice to the Investors to be given effective on a Business Exchange Day (the date of such notification being the "Extraordinary Event Notification Date"), elect to accelerate the determination and payment of Variable Interest, if any, on all outstanding Deposit Notes (and thus discharge its obligations in respect of Variable Interest). See "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances"
- **Early Determination of Variable Interest** In the case of an Extraordinary Event, the Calculation Agent shall determine and the Issuer shall pay an amount, if any, in lieu of any Variable Interest, equal to the Calculation Agent's estimate of the present value of the Investor's right to receive payment (but for the occurrence of the Extraordinary Event) of any Variable Interest. However, in no event will the Principal Amount of a Deposit Note be paid prior to the Maturity Date. See "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances".
- **Adjustments In Special Circumstances** – In certain circumstances the Calculation Agent may adjust any one or more of the Initial Prices for the Commodities, the formula for calculating a Commodity Return, or another component or variable relevant to the determination of Variable Interest to account equitably for those circumstances. See "DESCRIPTION OF THE DEPOSIT NOTES – Special Circumstances" above.
- **Credit Risk** - Because the obligation to make payments to Investors is an obligation of the Issuer, the likelihood that such Investors will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of the Issuer.
- **No Deposit Insurance** - The Deposit 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.
- **Currency Risk** - The performance of the Commodity Basket will be based solely upon the weighted average of the Price Returns of the five Commodities determined in their respective currencies and thus will be unaffected by changes in the exchange rate of Canadian dollars relative to the currencies in which the Reference Prices of the Commodities are determined.
- **Deferral of Payment** – Payment of Variable Interest, if any, in respect of the Deposit Notes may be deferred to ensure compliance with Canadian laws governing interest rates.