BANK OF NOVA SCOTIA /
Form SUPPL
November 14, 2011

Filed pursuant to General Instruction II.K
of Form F-9, File No. 333-174823

Pricing Supplement dated November 10, 2011 to the

Short Form Prospectus dated January 11, 2010 as amended by Amendment No. 1 dated June 29, 2011,

Prospectus Supplement dated July 12, 2011 and Product Prospectus Supplement (Rate Linked Notes, Series A) dated July 12, 2011

The Bank of Nova Scotia

$5,000,000

Callable Step-Up Rate Notes, Series A

100% principal protection at maturity, subject to the credit risk of the Bank

Semi-annual interest payments

Interest Rate that increases over the term of the Notes

Callable by the Bank semi-annually on any interest payment date on or after the third anniversary of issuance

15-year stated term

General

The Callable Step-Up Rate Notes (the Notes) offered hereunder are not insured by the Canada Deposit Insurance Corporation pursuant to the *Canada Deposit Insurance Corporation Act*, the United States Federal Deposit Insurance Corporation, or any other governmental agency of Canada, the United States or any other jurisdiction. The Notes include investment risks including possible loss of the Principal Amount invested due to the credit risk of The Bank of Nova Scotia. As used in this pricing supplement, the Bank, we, us or our refers to The Bank of Nova Scoti

The Notes will not be listed on any securities exchange or automated quotation system.

Neither the United States Securities and Exchange Commission (SEC), the Ontario Securities Commission (OSC) nor any provincial or state securities commission has approved or disapproved of the Notes or passed upon the accuracy or the adequacy of this document, the accompanying prospectus, prospectus supplement or product supplement. Any representation to the contrary is a criminal offense.

Scotia Capital (USA) Inc., an affiliate of ours, will purchase the Notes from us for distribution to other registered broker dealers or will offer the Notes directly to investors. Scotia Capital (USA) Inc. or any of its affiliates or agents may use this pricing supplement in market-making transactions in Notes after their initial sale. See Supplemental Plan of Distribution (Conflicts of Interest) on page P-9 of this pricing supplement and Supplemental Plan of Distribution on page PS-27 of the accompanying product supplement.

Investment in the Notes involves certain risks. You should refer to Additional Risk Factors beginning on page P-7 of this pricing supplement and Additional Risk Factors Specific to the Notes beginning on page PS-5 of the accompanying product supplement and Risk Factors beginning on page S-3 of the accompanying

prospectus supplement.

	Per Note	Total
Price to public	100%	$ 5,000,000
Underwriting commissions[1]	1.60%	$ 80,000
Proceeds to Bank of Nova Scotia[2]	98.40%	$ 4,920,000

The price at which you purchase the Notes includes costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the Notes. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the Notes. As a result, you may experience an immediate and substantial decline in the market value of your Notes on the Issue Date. See Additional Risk Factors The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices on page P-8 of this pricing supplement.

The price of the Notes include a mark-to-market gain to the Bank of approximately $3.00 per $1,000 principal amount of Notes. Actual profits or losses actually realized over the life of the Notes as a result of variations in the value of the derivative positions embedded in the Notes and the Bank's hedging program may vary from this anticipated amount.

We will deliver the Notes in book-entry form through the facilities of The Depository Trust Company (DTC) on or about November 16, 2011 against payment in immediately available funds.

Scotia Capital (USA) Inc.

[1] Based on actual sales of the Notes, Scotia Capital (USA) Inc. or one of our affiliates will pay varying discounts and commissions of up to 1.75% per $1,000 principal amount of Notes in connection with the distribution of the Notes with an average of 1.60% per $1,000 principal amount of Notes. See Supplemental Plan of Distribution (Conflicts of Interest) on page P-9 of this pricing supplement.

[2] Excludes potential profits from hedging. See second paragraph below this table. For additional considerations relating to hedging activities see Additional Risk Factors The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices on page P-8 of this pricing supplement.

The information in this Summary section is qualified by the more detailed information set forth in this pricing supplement, the prospectus, the prospectus supplement and the product supplement.

Summary

Issuer:	The Bank of Nova Scotia (the Bank)
Minimum Investment:	$1,000
Denominations:	$1,000 and integral multiples of $1,000 in excess thereof
Currency:	U.S. Dollars
Trade Date:	November 10, 2011
Pricing Date:	November 10, 2011
Issue Date:	November 16, 2011
Maturity Date:	November 16, 2026
Business Day:	Any day which is neither a legal holiday nor a day on which banking institutions are authorized or obligated by law, regulation or executive order to close in New York and Toronto
Interest Rate:	see table below

Period beginning on	Period ending on	Annual Interest Rate
November 16, 2011	November 16, 2014	3.00% per annum
November 16, 2014	November 16, 2017	3.50% per annum
November 16, 2017	November 16, 2020	4.00% per annum
November 16, 2020	November 16, 2023	5.00% per annum
November 16, 2023	November 16, 2026	6.50% per annum

Interest Payment Dates:	The 16^{th} calendar day in each May and November commencing on May 16, 2012 and ending on the maturity date. If these days are not business days, interest will be paid on the dates determined as described below
Day Count Fraction:	30/360, unadjusted, following business day convention (all as more fully described below)
First Call Date:	November 16, 2014
Call Provision:	The Notes are redeemable at our option, in whole, but not in part, on each stated interest payment date, from and including the first call date, upon notice by us to DTC on or before the corresponding call notice date, at an amount that will equal the Principal Amount of the Notes plus the interest applicable to such interest payment date. If the Notes are called prior to the

	maturity date, you will be entitled to receive only the Principal Amount of the Notes and any interest payment in respect of interest payment dates occurring on or before the call payment date. In this case, you will lose the opportunity to continue to be paid interest in respect of interest payment dates ending after the call payment date
Call Notice Date:	10 business days prior to the corresponding interest payment date
Call Payment Date:	The interest payment date, if any, for which we have given a call notice for the Notes, on or before the corresponding call notice date
CUSIP/ISIN:	CUSIP 064159 AH9/ISIN US064159AH97
Form of Notes:	Book-entry
Type of Note:	Callable Step-Up Rate Notes, Series A
Calculation Agent:	Scotia Capital Inc., an affiliate of the Bank
Status:	The Notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). Holders will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act*, the U.S. *Federal Deposit Insurance Act* or under any other deposit insurance regime
Tax Redemption:	The Bank (or its successor) may redeem the Notes, in whole but not in part, at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the date fixed for redemption, if it is determined that changes in tax laws or their interpretation will result in the Bank (or its successor) becoming obligated to pay, on the next interest payment date, additional amounts with respect to the Notes. See Tax Redemption on page P-6 of this pricing supplement
Listing:	The Notes will not be listed on any securities exchange or quotations system
Use of Proceeds:	General corporate purposes
Clearance and Settlement:	DTC
Terms Incorporated:	All of the terms appearing above the item captioned Listing on page P-4 of this pricing supplement and the terms appearing under the caption General Terms of the Notes beginning on page PS-9 in the accompanying product supplement, as modified by this pricing supplement

ADDITIONAL TERMS OF YOUR NOTES

You should read this pricing supplement together with the prospectus dated January 11, 2010, as amended by Amendment No. 1, dated as of June 29, 2011, as supplemented by the prospectus supplement dated July 12, 2011 and the product supplement (Rate Linked Notes, Series A) dated July 12, 2011, relating to our Senior Note Program, Series A, of which these Notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product supplement. In the event of any conflict, this pricing supplement will control. ***The Notes may vary from the terms described in the accompanying product supplement in several important ways. You should read this pricing supplement carefully.***

This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in Additional Risk Factors Specific to the Notes in the product supplement dated July 12, 2011, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the SEC website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

Prospectus dated January 11, 2010, as amended by Amendment No. 1 dated June 29, 2011:

http://sec.gov/Archives/edgar/data/9631/000095012311062824/o71994fv9za.htm

Prospectus Supplement dated July 12, 2011:

http://sec.gov/Archives/edgar/data/9631/000095012311065226/o71192e2suppl.htm

Product Supplement (Rate Linked Notes, Series A) dated July 12, 2011:

http://sec.gov/Archives/edgar/data/9631/000095012311065228/o71192d2suppl.htm

The Bank of Nova Scotia has filed a registration statement (including a prospectus, a prospectus supplement, and a product supplement) with the SEC for the offering to which this pricing supplement relates. Before you invest, you should read those documents and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, The Bank of Nova Scotia, any agent or any dealer participating in this offering will arrange to send you the prospectus, the prospectus supplement and the product supplement if you so request by calling 1-416-866-3672.

PAYMENT AT MATURITY

If the Notes have not been called by us, as described elsewhere in this pricing supplement, we will pay you the principal amount of your Notes on the maturity date, plus the final interest payment.

In the event that the stated maturity date is not a business day, then the relevant repayment of principal will be made on the next business day (following business day convention).

INTEREST

The expected interest payment dates are

May 16, 2012,
November 16, 2012,
May 16, 2013,
November 16, 2013,
May 16, 2014,
November 16, 2014,
May 16, 2015,
November 16, 2015,
May 16, 2016,
November 16, 2016,
May 16, 2017,
November 16, 2017,
May 16, 2018,

November 16, 2018,

May 16, 2019,
November 16, 2019,
May 16, 2020,
November 16, 2020,
May 16, 2021,
November 16, 2021,
May 16, 2022,
November 16, 2022,
May 16, 2023,
November 16, 2023,
May 16, 2024,
November 16, 2024,
May 16, 2025,
November 16, 2025,
May 16, 2026 and
November 16, 2026 (which is also the expected maturity date).

We describe payments as being based on a day count fraction of 30/360, unadjusted, following business day convention .

This means that the number of days in the interest period will be based on a 360-day year of twelve 30-day months (30/360) and that the number of days in the interest period will be based on the days on which interest would have been paid if each such day was a business day, not on the actual days on which payment is made (unadjusted).

If any interest payment date falls on a day that is not a business day (including any interest payment date that is also the maturity date), the relevant payment of interest will be made on the next business day (following business day convention).

EVENTS OF DEFAULT AND ACCELERATION

If the Notes have become immediately due and payable following an Event of Default (as defined in the accompanying prospectus) with respect to the Notes, the calculation agent will determine (i) your principal amount and (ii) any accrued but unpaid interest payable based upon the then applicable interest rate calculated on the basis of a 360-day year consisting of twelve 30-day months.

If the Notes have become immediately due and payable following an Event of Default, you will not be entitled to any additional payments with respect to the Notes. For more information, see Description of the Debt Securities Events of Default beginning on Page I-15 of the accompanying prospectus.

TAX REDEMPTION

The Bank (or its successor) may redeem the Notes, in whole but not in part, at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the date fixed for redemption, upon the giving of a notice as described below, if:

as a result of any change (including any announced prospective change) in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Canada (or the jurisdiction of organization of the successor to the Bank) or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after the Pricing Date (or, in the case of a successor to the Bank, after the date of succession), and which in the written opinion to the Bank (or its successor) of legal counsel of recognized standing has resulted or will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which interest is due, additional amounts with respect to the Notes; or

> on or after the Pricing Date (or, in the case of a successor to the Bank, after the date of succession), any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, Canada (or the jurisdiction of organization of the successor to the Bank) or any political subdivision or taxing authority thereof or therein, including any of those actions specified in the paragraph immediately above, whether or not such action was taken or decision was rendered with respect to the Bank (or its successor), or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to the Bank (or its successor) of legal counsel of recognized standing, will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which interest is due, additional amounts with respect to the Notes;

and, in any such case, the Bank (or its successor), in its business judgment, determines that such obligation cannot be avoided by the use of reasonable measures available to it (or its successor).

In the event the Bank elects to redeem the Notes pursuant to the provisions set forth in the preceding paragraph, it shall deliver to the Trustees a certificate, signed by an authorized officer, stating (i) that the Bank is entitled to redeem such Notes pursuant to their terms and (ii) the principal amount of the Notes to be redeemed.

Notice of intention to redeem such Notes will be given to holders of the Notes not more than 45 nor less than 30 days prior to the date fixed for redemption and such notice will specify, among other things, the date fixed for redemption and the redemption price.

ADDITIONAL RISK FACTORS

In addition to the following risks included in this pricing supplement, we urge you to read Additional Risk Factors Specific to the Notes beginning on page PS-5 of the accompanying product supplement and Risk Factors beginning on page S-3 of the accompanying prospectus supplement. You should understand the risks of investing in the Notes and should reach an investment decision only after careful consideration, with your advisers, of the suitability of the Notes in light of your particular financial circumstances and the information set forth in this pricing supplement and the accompanying prospectus, prospectus supplement and product supplement.

Your Investment is Subject to a Reinvestment Risk in the Event We Elect to Call the Notes.

We have the ability to call the Notes prior to the maturity date. In the event we decide to exercise the call provision, the amount of interest payable would be less than the amount of interest payable if you held the Notes until the maturity date. There is no guarantee that you would be able to reinvest the proceeds from an investment in the Notes at a comparable return for a similar level of risk following our exercise of the call provision. We may choose to call the Notes early or choose not to call the Notes early, in our sole discretion. In addition, it is more likely that we will call the Notes prior to maturity if a significant decrease in U.S. interest rates or a significant decrease in the volatility of U.S. interest rates would result in greater interest payments on the Notes than on instruments of comparable maturity, terms and credit worthiness then trading in the market.

The Step-up Feature Presents Different Investment Considerations than Fixed Rate Notes.

You will most likely not earn the highest scheduled interest rates on the Notes if interest rates remain the same or fall during the term of the Notes. This is due, in part, to the fact that we are likely to exercise the call provision before the realization of such highest scheduled interest rates. Therefore, when determining whether to invest in the Notes, you should not focus on the highest interest rate, which is only applicable to the last years of the stated term of your Notes, and instead focus on, among other things, the annual applicable interest rate to the first call date and the call provision.

The Notes are Not Ordinary Debt Securities.

The Notes have certain investment characteristics that differ from traditional fixed income securities. Specifically, the performance of the Notes will not track the same price movements as traditional interest rate products. A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in the above terms of the offering. The Issuer does not make any recommendation as to whether the Notes are a suitable investment for any person.

Your Investment is Subject to the Credit Risk of The Bank of Nova Scotia.

The Notes are senior unsecured debt obligations of The Bank of Nova Scotia and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus, prospectus supplement and product supplement, the Notes will rank on par with all of the other unsecured and unsubordinated debt obligations of The Bank of Nova Scotia, except such obligations as may be preferred by operation of law. Any payment to be made on the Notes, including the return of the principal amount at maturity or on the call payment date, as applicable, depends on the ability of The Bank of Nova Scotia to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of The Bank of Nova Scotia may affect the market value of the Notes and, in the event The Bank of Nova Scotia were to default on its obligations, you may not receive the amounts owed to you under the terms of the Notes.

The Price at Which the Notes may be Sold prior to Maturity will Depend on a Number of Factors and May Be Substantially Less Than the Amount for Which They Were Originally Purchased.

The price at which the Notes may be sold prior to maturity will depend on a number of factors. Some of these factors include, but are not limited to: (i) volatility of the level of interest rates and the market s perception of future volatility of the level of interest rates, (ii) changes in interest rates generally, (iii) any actual or anticipated changes in our credit ratings or credit spreads, and (iv) time remaining to maturity. In particular, because the terms of the Notes permit us to redeem the Notes prior to maturity, the price of the Notes may be impacted by the call feature of the Notes. Additionally, the interest rates of the Notes reflect not only our credit spread generally but also the call feature of the Notes and thus may not reflect the rate at which a note without a call feature and increasing interest rate might be issued and sold.

Depending on the actual or anticipated level of interest rates, the market value of the Notes may decrease and you may receive substantially less than 100% of the issue price if you sell your Notes prior to maturity.

The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices.

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Scotia Capital (USA) Inc. or any other party is willing to purchase the Notes at any time in secondary market transactions will likely be significantly lower than the original issue price, since secondary market prices are likely to exclude commissions paid with respect to the Notes and the cost of hedging our obligations under the Notes that are included in the original issue price. The cost of hedging includes the projected profit that we and/or our subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. In addition, any secondary market prices may differ from values determined by pricing models used by Scotia Capital (USA) Inc. as a result of dealer discounts, mark-ups or other transaction costs.

The Notes Lack Liquidity.

The Notes will not be listed on any securities exchange or automated quotation system. Therefore, there may be little or no secondary market for the Notes. Scotia Capital (USA) Inc. may, but is not obligated to, make a market in the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which Scotia Capital (USA) Inc. is willing to purchase the notes from you. If at any time Scotia Capital (USA) Inc. were not to make a market in the Notes, it is likely that there would be no secondary market for the Notes. Accordingly, you should be willing to hold your Notes to maturity.

ILLUSTRATIVE EXAMPLES

The following table shows the semi-annual interest payment on each stated interest payment date based on a hypothetical $1,000 investment in the Notes and assumes the call provision has not been exercised by us prior to maturity**.** If a stated interest payment date is not a business day, then actual payment of interest will be the next business day.

Interest Payment Date (expected)	Interest Rate	Interest Payment
May 16, 2012	3.00%	$15.00
November 16, 2012	3.00%	$15.00
May 16, 2013	3.00%	$15.00
November 16, 2013	3.00%	$15.00
May 16, 2014	3.00%	$15.00
November 16, 2014	3.00%	$15.00
May 16, 2015	3.50%	$17.50
November 16, 2015	3.50%	$17.50
May 16, 2016	3.50%	$17.50
November 16, 2016	3.50%	$17.50
May 16, 2017	3.50%	$17.50
November 16, 2017	3.50%	$17.50
May 16, 2018	4.00%	$20.00
November 16, 2018	4.00%	$20.00
May 16, 2019	4.00%	$20.00
November 16, 2019	4.00%	$20.00
May 16, 2020	4.00%	$20.00
November 16, 2020	4.00%	$20.00
May 16, 2021	5.00%	$25.00
November 16, 2021	5.00%	$25.00
May 16, 2022	5.00%	$25.00
November 16, 2022	5.00%	$25.00
May 16, 2023	5.00%	$25.00
November 16, 2023	5.00%	$25.00
May 16, 2024	6.50%	$32.50
November 16, 2024	6.50%	$32.50
May 16, 2025	6.50%	$32.50
November 16, 2025	6.50%	$32.50
May 16, 2026	6.50%	$32.50
November 16, 2026	6.50%	$32.50

SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

Pursuant to the terms of a distribution agreement, Scotia Capital (USA) Inc., an affiliate of The Bank of Nova Scotia, will purchase the Notes from The Bank of Nova Scotia for distribution to other registered broker dealers or will offer the Notes directly to investors.

Based on actual sales of the Notes, Scotia Capital (USA) Inc. or one of our affiliates will pay varying discounts and commissions of up to 1.75% per $1,000 principal amount of Notes in connection with the distribution of the Notes with an average of $1.60 per $1,000 principal amount of Notes.

In addition, Scotia Capital (USA) Inc. or another of its affiliates or agents may use the product supplement to which this pricing supplement relates in market-making transactions after the initial sale of the Notes. While Scotia Capital (USA) Inc. may make markets in the Notes, it is under no obligation to do so and may discontinue any market-making activities at any time without notice. See Supplemental Plan of Distribution on page S-34 in the accompanying prospectus supplement and Supplemental Plan of Distribution on page PS-27 in the accompanying product supplement.

CERTAIN CANADIAN INCOME TAX CONSEQUENCES

This pricing supplement should be treated as incorporating the discussion under Certain Canadian Income Tax Considerations on page S-22 of the accompanying prospectus supplement.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

We intend to treat all of the stated interest on the Notes as qualified stated interest for purposes of applying the original issue discount rules as a result our ability to call the Notes prior to any scheduled interest rate increases. If we do not call the Notes prior to an interest rate increase, the Notes will be considered to be reissued on the interest rate increase date at their then adjusted issue price solely for purposes of applying the original issue discount rules to the Notes.

You should carefully consider the discussion set forth in Supplemental Discussion of U.S. Federal Income Tax Consequences in the accompanying product supplement. In particular, U.S. holders (as defined in the product supplement) should review the discussion under Fixed Rate Notes, Floating Rate Notes, Inverse Floating Rate Notes, Step Up Notes, Leveraged Notes, Range Accrual Notes, Dual Range Accrual Notes and Non-Inversion Range Accrual Notes and Sale, Redemption or Maturity of Notes that Are Not Treated as Contingent Payment Debt Instruments under Supplemental Discussion of U.S. Federal Income Tax Consequences Supplemental U.S. Tax Considerations U.S. Holders Where the term of your Notes exceeds one year in the product supplement. U.S. holders should also review the discussion under Medicare Tax , Treasury Regulations Requiring Disclosure of Reportable Transactions , Information With Respect to Foreign Financial Asse and Information Reporting and Backup Withholding under Certain Income Tax Consequences Certain United States Income Tax Considerations in the prospectus supplement. Non-U.S. holders (as defined in the product supplement) should review in particular the discussion under Supplemental Discussion of U.S. Federal Income Tax Consequences Supplemental U.S. Tax Considerations Non-U.S. Holders in the product supplement.

Prospective purchasers of the Notes should consult their tax advisors as to the federal, state, local and other tax consequences to them of acquiring, holding and disposing of Notes and receiving payments under the Notes.