







CHINA DIRECT INDUSTRIES, INC.  
(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date December 30, 2009

By /s/ Yuejian (James) Wang  
Yuejian (James) Wang  
President and Chief Executive  
Officer

INSTRUCTION: The form may be signed by an executive officer of the registrant or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the registrant by an authorized representative (other than an executive officer), evidence of the representative's authority to sign on behalf of the registrant shall be filed with the form.

ATTENTION

Intentional misstatements or omissions of fact constitute Federal Criminal Violations (See 18 U.S.C. 1001).

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Part IV - Other Information

Supplemental response to Part IV.

(2) China Direct Industries, Inc.'s (the "Company") Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 was filed late.

(3) The following items will have a significant effect on the Company's results of operations for the nine month transition period ended September 30, 2009 as compared to its fiscal year ended December 31, 2008:

As previously reported, on September 29, 2009 the Board of Directors of the Company committed to a plan to sell its interest in Pan Asia Magnesium, Ltd. ("Pan Asia"). Pan Asia owns and operates a magnesium production facility located in Taiyuan, Shanxi Province, China. On December 29, 2009, the Company's audit committee approved the establishment of a reserve for a contingent loss from discontinued operations related to Pan Asia in the approximate amount of \$7,362,039.

In addition, the following other charges are expected to be taken in the nine month transition period ended September 30, 2009:

| Description  | Amount       |
|--|--------------|
| Impairment charges related to bad debt                         | \$ 1,753,744 |
| Realized loss on sale of marketable securities                 | 1,909,056    |
| Realized loss on other than temporary impairment               | 9,466,329    |
| Loss from discontinued operations (net of income of \$585,436) | 609,331      |

The Company further plans to restate its December 31, 2008 financial statements included in its Form 10-K filed on March 31, 2009 as a result of an error related to the method of calculating the other-than-temporary impairment of available for sale securities. Accordingly, the Company's realized loss on investment in marketable securities – Other Than Temporary Impairment of \$4,127,555 (as reported) will increase by \$3,393,533 to \$7,521,088 (as restated).