

China Direct Investments, Inc.  
 Form 4  
 August 28, 2009

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 China Direct Industries, Inc.

2. Issuer Name and Ticker or Trading Symbol  
 China Armco Metals, Inc. [CNAM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 431 FAIRWAY DRIVE, SUITE 200  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/10/2009

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

DEERFIELD BEACH, FL 33441  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |           |   |   |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|-----------|---|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                                      |           |   |   |
| Common Stock                    | 08/10/2009                           |  | S                              |   | 9,920   | D  | \$ 1.2                                     | 1,279,880 | I | Held by China Direct Investments and Capital One <sup>(1)</sup> |
| Common Stock                    | 08/14/2009                           |  | S                              |   | 2,000   | D  | \$ 2.31                                    | 1,277,880 | I | Held by China Direct Investments and Capital One <sup>(2)</sup> |
| Common Stock                    | 08/21/2009                           |  | S                              |   | 20,000  | D  | \$ 3.06                                    | 1,257,880 | I | Held by China Direct  |

| Common Stock | 08/24/2009 | S | 41,600  | D | \$ 3.48 | 1,216,280 | I |  | Investments and Capital One <sup>(3)</sup><br>Held by China Direct Investments and Capital One <sup>(4)</sup> |
|--------------|------------|---|---------|---|---------|-----------|---|--|---|
| Common Stock | 08/25/2009 | S | 10,500  | D | \$ 3.51 | 1,205,780 | I |  | Held by China Direct Investments and Capital One <sup>(5)</sup>   |
| Common Stock | 08/27/2009 | S | 250,000 | D | \$ 2.6  | 955,780   | I |  | Held by China Direct Investments and Capital One <sup>(6)</sup>   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

|  |   |
|--|---|
| China Direct Industries, Inc.<br>431 FAIRWAY DRIVE<br>SUITE 200<br>DEERFIELD BEACH, FL 33441 | X |
| China Direct Investments, Inc.<br>431 FAIRWAY DRIVE, SUITE 200<br>DEERFIELD BEACH, FL 33441  | X |
| Capital One Resource Co., Ltd.<br>ROOM 804, SINO CENTRE, 582-592 NATHAN RD<br>K3 852         | X |

## Signatures

|  |            |
|--|------------|
| /s/ Yuejian (James) Wang   | 08/28/2009 |
| **Signature of Reporting Person  | Date       |
| See signatures of other Reporting Persons on the attached Exhibit 99.1 | 08/28/2009 |
| **Signature of Reporting Person  | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - (1) 448,100 of these shares are owned directly by China Direct Investments, Inc. (?China Direct Investments?) and 831,780 of these shares are owned directly by Capital One Resource Co., Ltd. (?Capital One?). China Direct Investments and Capital One are wholly owned subsidiaries of China Direct Industries, Inc. (?China Direct?). China Direct is an indirect beneficial owner of the reported securities.
  - (2) 448,100 of these shares are owned directly by China Direct and 829,780 of these shares are owned directly by Capital One.
  - (3) 448,100 of these shares are owned directly by China Direct and 809,780 of these shares are owned directly by Capital One.
  - (4) 448,100 of these shares are owned directly by China Direct and 768,180 of these shares are owned directly by Capital One.
  - (5) 448,100 of these shares are owned directly by China Direct and 757,680 of these shares are owned directly by Capital One.
  - (6) 448,100 of these shares are owned directly by China Direct and 507,680 of these shares are owned directly by Capital One.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.