GTX CORP
Form 10-K
April 03, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] **ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017

[ ] **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 000-53046

GTX Corp

(Exact name of registrant as specified in its charter)

Nevada (State of incorporation)	**98-0493446** (I.R.S. Employer Identification No.)
117 W 9th Street; Suite 1214, Los Angeles, CA 90015 (Address of principal executive offices)	**213-489-3019** (Registrant’s telephone number, including area code)

Securities registered under Section 12(b) of the Act:

Title of each class registered:	Name of each exchange on which registered:
None	None

Securities registered under Section 12(g) of the Act:

Common Stock, Par Value $0.001 (Title of class)

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and, (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein and, will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]
	Emerging growth company [ ]		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

The outstanding number of shares of common stock as of March 30, 2018 was 773,474,456.

Documents incorporated by reference: None

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FORWARD LOOKING STATEMENTS

Information in this report contains “forward looking statements” which may be identified by the use of forward-looking terminology, such as “may”, “shall”, “will”, “could”, “expect”, “estimate”, “anticipate”, “predict”, “probable”, “possible”, “sho or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives requires the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

PART 1

ITEM 1. DESCRIPTION OF BUSINESS

Unless otherwise noted, the terms “GTX Corp”, the “Company”, “we”, “us”, and “our” refer to the ongoing business operations of GTX Corp and our wholly-owned subsidiaries, Global Trek Xploration, Inc. and LOCiMOBILE, Inc.

OVERVIEW OF THE BUSINESS

GTX Corp is a holding company that currently owns and operates two subsidiaries engaged in the growing $34 billion wearable technology and IoMT (“Internet of Medical Things”) industry, which designs, manufactures and sells various interrelated and complementary products and services in the Personal Location Wearable Technology marketplace. GTX owns 100% of the issued and outstanding capital stock of Global Trek Xploration, Inc. and LOCiMOBILE, Inc. Our operations are currently conducted through Global Trek Xploration, Inc. and LOCiMOBILE, Inc. These two subsidiaries operate in various interrelated sectors of location-based services and IoMT wearable technology market.

Through these subsidiaries, GTX Corp is engaged in the design, development, manufacturing, distribution and sales of five related products and services utilizing GPS, cellular, BLE, RF and WiFi technologies. Through a proprietary enterprise monitoring platform and licensing subscription business model, the Company offers a complete end to end solution of hardware, middleware, apps, connectivity, and professional services that can track and monitor people or assets at the touch of a button in real-time. In addition to our three core business units we also operate a forth business unit which licenses intellectual property.

GTX was founded in 2002, became publicly traded in 2008, and is currently headquartered in Los Angeles, California, with distributors and customers across the globe.

GTX provides a patented, comprehensive, end-to-end monitoring platform that provides tracking and monitoring services in vertical niche markets. We answer the ***"where is"*** question: such as, where is my mother, child, employee, pet, drone, rifle or high value asset. Through a proprietary IoT ("Internet of Things") enterprise platform the Company offers a range of hardware, software and connectivity tracking and monitoring solutions and generates revenues through the sale of products and services, licensing and recurring subscriptions.

Since inception, GTX Corp has developed and commercially launched several products, including, our GPS Smart Shoes, SmartSoles, Bluetooth Low Energy ("BLE") SmartSoles, hand-held GPS tracking devices, and more than 20 smartphone and tablet Apps, all supported by our hosted and scalable backend monitoring platform and intellectual property portfolio. The Company has four lines of business comprising of our core SmartSole line: Military, OEM and professional services, mobile work force, and intellectual property licensing. The business units generate various revenue streams, such as product sales, recurring subscriptions, software and intellectual property (IP) licensing, and fees for custom development and professional services. Our core products and services are supported by GTX's IP portfolio of issued patents, licensed patents, patents pending, registered trademarks, copyrights, URLs and a library of proprietary hardware and software.

Our four primary business units are the following:

1) Our core SmartSole line of wearable technology for people with cognitive memory disorders, such as Alzheimer's, dementia, autism and traumatic brain injury ("TBI"). Typically, these people have a tendency to wander and require some wander guard technology and remote oversight. Approximately 9 million people in the US and over 100 million worldwide are affected. With the new biometric technology we plan to expand into the general senior population for people that need to track their mobility, activity and balance. Think of this as the FitBit for seniors market, with a potential customer base of 72 million people in the US and 650 million worldwide.

2) Military, OEM and custom development for tracking military personnel, high value assets, such as drones, small light weight cargo, rifles and other high value mobile assets that require our robust, small footprint and low power consumption hardware platform.

3) Mobile work force, such as salespersons, journalists, electricians, plumbers, food delivery, property management agents, cleaning services and other industries that require knowing the whereabouts of an employee or contractor in real tiAme but that don't want to invest in costly GPS devices, instead would rather leverage a user's smartphone.

4) IP licensing of some of our patents to further monetize the value of our IP.

In 2014 after terminating a four-year licensing agreement for its GPS Smart Shoes, GTX took over the operations of product design, manufacturing, branding, marketing and sales and reset its business operations from a licensing model to a manufacturing and distribution model with the launch of the GPS SmartSole. GTX began to focus on building channels of distribution for its product lines of embedded smart wearable GPS devices, Stand-Alone GPS devices and

Digital Apps which all funnel into the GTX Corp IoT monitoring platform. Each product line is sold both direct to consumer (B2C) and business to business (B2B) through a global network of resellers, affiliates, distributors, non-profit organizations, government agencies, police departments, manufacturers reps and retailers. The Company has been ramping up its product distribution and sales channels and, as of December 31, 2017, the Company had live units in the field and / or paying subscribers in over 35 countries, had 8 regional sales reps in the US, 6 retired and active professional athlete brand ambassadors, over 700 online affiliates, products being sold in 3 retail stores and 13 international distributors. Also, we have been issued a vendor number for reimbursement in 7 U.S. states and 2 countries (Canada and Sweden). We have also applied for other State and Federal reimbursement codes, grants and private insurance reimbursement along with other health and municipal services in several other countries. If granted, the reimbursements would lower the cost of acquiring and owning our tracking products, which could result in an increase in users of our SmartSole and Stand Alone devices. All product lines are sold with a monthly, quarterly or annual subscription service plan or licensing fees ranging from $2.00 to $35.00 per month. In addition to product service fees the Company also generates revenues through platform and IP licensing fees.

In 2016, we commenced offering our products to the U.S. military for use in tracking military personnel and equipment and in September of 2017 we received our first military contract to supply custom designed GPS tracking equipment for Edwards Air Force Base. Under the AFB contract, GTX Corp will be responsible for the manufacturing, installation and ongoing maintenance and support of the Personnel, Equipment Tracking System (PETS) platform. We started delivering parts of the contract in the 4th quarter and will continue to ship throughout the first quarter of 2018. All of the hardware, software and firmware is being designed, manufactured and coded by the Company at its headquarters in Los Angeles, California. GTX is also designing the PCB boards in house in order to keep tight control of the entire design and manufacturing processes. Additional equipment and tools have been purchased in order to support in-house manufacturing and in preparation for developing future business with the military, GTX Corp has renewed and updated its System for Award Management (SAM) and General Services Administration (GSA) entity registrations and has begun preliminary conversations with other military bases in California, Nevada and Utah to explore their needs and requirements for similar tracking solutions. Orders from the military fall under our OEM and military business unit.

In 2016, we entered into a strategic IP agreement with Inventergy Innovations, LLC in order to maximize the licensing potential of certain of our key patents. Under this agreement, we assigned three of our key patents to Inventergy Innovations who, in turn, will either license these patents to third parties, enforce the patents against third parties, or otherwise monetize these IP assets. We have subsequently through our ongoing continuation patent filing process have been issued an additional patent in this family, now totalling four patents and adding to the overall value of this portfolio. We still maintain 100% of the rights to all our other patents in the shoe family and middle box family. During the 3rd quarter of 2017 Inventergy Innovations, LLC hired a highly experienced IP litigation law firm, Cotman IP Law Group in order to support our ongoing IP monetization and licensing efforts. In October of 2017 we amended our definitive agreement signed in June of 2016 reducing the quarterly draw from $25,000 to $12,500 in order to help support the legal fees associated with litigation, and we extended the licensing goals by nine (9) months pushing them forward to October 1, 2018 and July 1, 2020 to allow more time to for the legal litigation process. This is part of our IP monetization business unit.

In August of 2017 we entered into an agreement with Veristride, Inc., a company that specializes in wearable solutions to analyze gait movement at the source, using custom sensors at the foot and biomechanical analytics to provide feedback on how people walk, run and move. Gait technology is significant in fall risk detection and prevention, medication reaction, undetected stroke and early detection of dementia, Alzheimer’s or cognitive decline. More than 2.8 million falls are treated in emergency rooms annually in the U.S., accounting for an estimated $31 billion in direct medical costs. Being able to accurately monitor changes in gait/stride or activity levels specifically for seniors can have a major impact on their morbidity and mortality. Despite extensive preventive efforts, falling continues to be a major problem for seniors both at home and in community living facilities. Being able to accurately predict falls, strokes or early onset of dementia by wearing a smart non-intrusive footwear device can offer significant advancements in senior care and wellness. GTX has been exploring and evaluating gait technology for several years as the Company strongly believes that there are many benefits that arise from gait analysis. As part of the agreement GTX will be responsible for embedding this new technology in its line of SmartSoles, along with the manufacturing and distribution. The expansion into this market should increase our US senior target audience from the 6 million currently diagnosed with Alzheimer’s to the 72 million baby boomers in the US that may need or want their mobility, activity and gait monitored.

In 2017 the U.S. Patent and Trademark office allowed our fourth patent in our “286” family of patents. These four patents cover key aspects of our tracking technology but are not limited to any particular form factor and are applicable to any generic tracking device, which, in its simplest form includes a communication device (i.e. cell phone modem, blue tooth or Wi-Fi communicator), a location detector (i.e. GPS or Wi-Fi Module) and data memory. This technology is now commonly embedded in millions of devices and smartphones, deployed across numerous industries. In order to better monetize our IP, in June 2016, we signed an agreement with Inventergy Innovations, LLC (“Inventergy”), a subsidiary of Inventergy Global, Inc. (NASDAQ: INVT). In the third quarter of 2017 the LLC hired a highly experienced IP litigation law firm, Cotman IP Law Group in order to support our ongoing IP monetization and licensing efforts. The potential value of these 4 patents is that they extend beyond our core footwear patents and into areas such as GPS watches, fitness wearables that track location, hand-held GPS devices, tracking apps on Smartphones, standalone GPS tracking devices and location based platforms in general, which represents a very sizable addressable market. Due to the large size and scope of this market, the process of identifying potential licensee’s, formulating a strategy and the negotiations or litigation take a lot of time and resources, which is why the LLC hired the Cotman IP Law Group, a highly experienced IP litigation law firm. Cotman IP Law Group was hired in order to support our ongoing IP monetization and licensing efforts. In October of 2017 we amended our definitive agreement signed in June of 2016 with Inventergy reducing the quarterly draw from $25,000 to $12,500 in order to help support the legal fees associated with litigation and we extended the licensing goals by nine (9) months pushing them forward to October 1st 2018 and July 1st 2020 to allow more time to for the legal litigation process. Expenses related to the law firm will be shared between the parties and will ultimately come out of the gross proceeds. Due to the confidentiality nature of the negotiations and legal proceedings both current and in the future, the LLC or GTX will only be making announcements once agreements with licensees or judgements are definitive.

In addition to the four (4) comm protocol 286 family of patents, GTX also has several patents on the device side and has filed for patents on the server side. The three (3) pronged IP protection approach (device, communication and server) is part of the overall intellectual property strategy protecting all three aspects of the GTX enterprise and value proposition. Furthering its IP monetization strategy, GTX is also exploring licensing some of its other patents that are not part of the Invenergy LLC agreement.

In the third quarter of 2017, we received our first military contract to deliver a new proprietary non-cellular, encrypted GPS tracking devices named PETS for Personnel Equipment Tracking System. These new devices are being developed for large scale installations and bases that need to monitor the location and movement of every asset (both human and non-human) on that base, but due to the remote location of these bases and lack of conventional cellular coverage, the devices utilize RF technology and are in a hardened military grade encasement. We began delivering PETS devices in the 4th quarter of 2017 and continue to fulfil the contract which we expect to complete by end of Q1 2018. We have already received one subsequent order from the same base and have a meeting scheduled with another base which has shown interest in our proprietary asset and personnel tracking technology. We also began developing a GPS Rifle tracking device for Military and Law Enforcement. The first 10 prototypes were delivered in early Q1 2018 and are undergoing field testing. We have received numerous inquiries on this product from both domestic and international government agencies. This is still a very new program which involves large government institutions, which means it will take time to cultivate this business. However due to our small hardware footprint size, our core expertise in GPS tracking, being a current military contractor and our patent portfolio, we believe we are well positioned to capture additional orders for this emerging line of business. There are a lot of long guns in the U.S. and across the globe and there is a lot of talk right now on how to keep track of those guns.

On the domestic sales front, we upgraded our E-Commerce platform and online store, which went live in October 2017. In addition, we began working to setup an online store on Amazon, which went live in early 2018. We are slowly continuing to add more government disability assistance agencies and Police Departments, now across 10 States, which have implemented programs which order SmartSoles and provide full reimbursement for the families for both the product and the monthly service charges. This again is a slow process due to being government agencies, however we made a lot of progress in 2017 and now have in several of the 10 States more than one agency, department or field office per State buying from us, which means we are penetrating both horizontally across more Sates and vertically deeper within the same State.

On the research and development front we began several new projects throughout 2017. We developed and commercially launched the “SoleProtector,” a new product that allows the GPS SmartSole to be transferable from one person to another hygienically. In addition, the SoleProtectors cover logos or markings making the GPS SmartSoles more stealthy and discrete, plus adding some comfort and overall protection to the SmartSoles. We heard from numerous B2B customers and consumers asking for a product like this and as the Company plans to launch more wearable technology footwear, the SoleProtectors are a good high margin accessory product extension for us. We also began working on a CDMA version of the SmartSole to operate on the Verizon network throughout North America. Unfortunately, Verizon recently announced it would begin sun setting its 1XRTT network earlier than expected so we stopped our final testing phase and decided to not go into production with this product. We were expecting the network to be operational until 2020 and now Verizon has announced it would no longer accept new devices on this network starting in June of 2018. We still intend to launch a Verizon device in the future, most likely an LTE 4G device and continue to work with Verizon and Orbcomm on this longer term project. We also began the development of our 3G hardware Platform. We began shipping stand-alone 3G devices in the third quarter of 2017 and we began shipping 3G GPS SmartSoles in the first quarter 2018.

In August of 2017 we began the development of a smaller, lower cost hardware platform that is going to be used in our SmartSole line and OEM business. We received our first prototypes from China in December 2017, we are testing close to a dozen devices in the U.S. and across Europe with some of our distribution partners. The results so far are very positive and we expect to go into production sometime in the first half of 2018. These new electronics are smaller and embedded in the insole will enable us to offer a smaller size SmartSole expanding our women's market and going into the kids market. Our production costs are expected to be 60% to 65% lower, which will bring down the wholesale and retail pricing allowing for bigger margins for GTX, our distributors and overall lower final price to the consumer or enterprise which should help generate more business. In addition the new electronics will have several new features such as Air Travel Mode, Speed Mode, a larger battery and rapid charging. All of which should contribute to more product sales. This new board which is called the MBLX will be for lower income markets and for individuals that are not "at risk" due to Alzheimer's or autism, but rather for more of general population use. It will also be used in our OEM business unit for companies that are looking for a very small, low cost GPS / Cellular module they want to embed into their own form factor. We are testing the new boards embedded in SmartSoles with our channel partners in the US and Europe, and we are currently working with a few companies that are testing the new MBLX modules by themselves for OEM purchase. The OEM business is new for us and will take time to develop: however we are confident based on the preliminary testing so far that we will start seeing orders within the next few months. As for the new SmartSoles several of our distributors have already placed orders and are expecting to receive the first shipments post production. The lower cost and smaller size is allowing us to have far more conversations regarding, different markets, volume discounts and in markets that are very sensitive to pricing.

In August of 2017 the Company signed a collaboration agreement with Veristride, Inc., a company that specializes in gait movement and analysis using custom sensors at the foot and biomechanical analytics to provide feedback on how people walk, run and move. As mass numbers of Baby Boomers who need care begin to outnumber those able to help them, the need for research and technology solutions will continue to grow. The collaboration set out to develop and launch a suite of biometric solutions embedded in insoles with the primary goal of monitoring activity, mobility, balance and gait in order to analyse overall health and wellness along with being able to detect fall risk, which is a major problem for seniors. An estimated 2.8 million older people are treated in emergency departments for fall injuries each year. These fall injuries result in an estimated $31 billion in direct medical costs annually on an inflation-adjusted basis. Using custom sensors at the foot, the Biometric Insoles collect movement and activity data for gait analysis to provide better insight into fall risk detection and prevention for seniors. This product will expand GTX's senior potential target audience from people diagnosed with Alzheimer's to the 72 million baby boomers in the US and 650 million across the globe. This patented technology can also be used in other applications for younger adults that want to monitor daily activity, think of it as a nonvisible FitBit for the professional sports community and military. Management strongly believes that this technology placed in insoles will produce highly accurate and cost effective ways of detecting certain conditions. Under the agreement with Veristride, GTX will incorporate its inductive charging technology, enhance and miniaturize the electronics, develop a Low Energy Blue Tooth (BLE) gateway and embed the final hardware assembly into a SmartSole. The two companies also plan to explore having GTX do the commercial manufacturing of the products that are currently in development. The business value of analyzing walking patterns through gait technology is significant in fall risk detection and prediction of multi medication reaction, undetected stroke and early prediction of dementia. Being able to accurately monitor changes in gait/stride or activity levels specifically for seniors can have a major impact on their morbidity and mortality. Despite extensive preventive efforts, falling continues to be a major problem for seniors both at home and in community living facilities. Being able to accurately predict falls, strokes or early onset of dementia by wearing a smart non-intrusive footwear device can offer significant advancements in senior care and wellness. We completed our first porotypes in December 2017 and are currently testing both internally and with some of our partners. We expect to have one more hardware revision, perhaps one or two more backend software revisions and plan be ready to soft launch in the first half of 2018.

During 2017, the Company continued expanding its B2B sales channels internationally and domestically, testing product, exploring opportunities and signing up new distributors. Some of the countries included Japan, Hong Kong, Chile, Spain and the Middle East. Through our existing partnerships we also attended several large trade shows in the U.S. and Europe. We also hired additional account representatives to manage our reseller programs in the U.S., Latin America and the Caribbean.

As the trend to use technological innovations to help seniors live longer more fulfilling lives continues to grow around the world (generally referred to as the Aging 2.0 movement), we continue to forge new strategic alliances. that will help us grow into the future. One such partner, George Mason University, completed the first phase of wandering predictive research utilizing the GTX IoT platform and data, and a two-stage spatiotemporal clustering algorithm which correctly predicted a users' location 87% of the time. This high level of initial success in accurate wandering prediction has enabled George Mason University to file for a much larger phase II grant. The preliminary research will be made available to GTX Corp, which will consider deploying the prediction algorithms into our backend monitoring platform, adding another layer of technology and overall value to our IoT tracking platform and monitoring services.

The Company also partnered with TruSense which combines wireless sensors, Amazon Echo Dot and GPS Technology including GTX's GPS SmartSole(r) to track daily activities, health patterns and variables, to address the needs of an entire family. This is GTX's first entry into the Smart Home business and links the GPS SmartSoles with the Amazon voice activated Echo Dot. A TruSense user can ask Alexa where is grandma and receive a voice reply, "Grandma is at 117 W 9th St. in Los Angles California."

The Company also formed a strategic alliance with HeartMath(r), Inc., an acknowledged world leader in stress and resilience technologies. Dr. Deborah Rozman, President of HeartMath Inc., has worked with thousands of health professionals, and hundreds of hospitals and clinics and through the partnership we created a health guide now available to the GPS SmartSole caregivers which are looking for tools that can help them cope with the physical, emotional and many times financial stress which comes from 24/7 caregiving. Since we specialize in solutions for people that have a caregiver in their life, we see this as another step forward in expanding our caregiver offerings and resources to empower both the caregivers and the patients to improve their health and well-being.

Global Trek Xploration

Our first wholly owned subsidiary engages in the business of hardware, software, connectivity, design and development of GPS, Cellular, RF, WiFi and Bluetooth low energy ("BLE") monitoring and tracking solutions. This includes the management and monetization of the Company's IP portfolio. Offering a GPS and BLE location platform that enables subscribers to track in real time the whereabouts of people, or high valued assets. Our proprietary GPS device, which consists of a miniature quad band GPRS transceiver, antenna, circuitry, battery and inductive charging pad can be customized and integrated into numerous form factors whose location and movement can be monitored in real time over the Internet through our 24x7 tracking portal or on a web enabled cellular telephone. The tracking portal is fully scalable and has been licensed to several partners both in the U.S. and internationally. It is a secure platform equipped with a database, application-programming interface ("API") for custom integration and communication SMS gateway software and hardware. Subscriber internet communications are routed through GTX's proprietary, fault-tolerant, carrier-class, and application-specific interface software. Our Location Data Center services are also offered to non-Global Trek products and hardware systems (i.e. handsets and personal electronics) of major electronics manufacturers through the offer and sale of exclusive licenses (either geographical, regional or product categories).

Markets that Global Trek Xploration is currently in, or is exploring, include:

- Families with members who have Alzheimer's and or dementia, including developmentally challenged adults;
- Elder care support, life-style management and e-health applications;
- Adults and children with cognitive disorders such as Autism and TBI;

High value asset tracking and location capability of drones, bikes, motorcycles, containers, luggage, riffles and other assets that require monitoring or tracking through a miniaturized low power consumption device;
Mobile work force;
Security for high-level executives, field workers, first responders, journalists, government employees;
Military, and law enforcement;
Biometrics, health and wellness;
Smart Home technology, and;
Accessories and peripherals.

Technology

Our current location tracking product design utilizes quad-band GSM/GPRS telephony chip sets and can be adapted to the prevalent wireless technologies, 2G, 3G or 4G. Our module's GPS electronics, utilizing advanced "weak signal server-enhanced" technology will provide rapid location identification.

Each module is programmed with a unique identification number and uses standard cellular frequencies to communicate its location. The module is also programmed with a unique subscriber identification number allowing each owner to subscribe to different services.

We continue to modify and upgrade our modules for our SmartSoles GPS tracking product to, among other things, make it available for use in various localities without customization. The production and roll-out of version 1.5 and 2.0 of our SmartSole product is expected to be a benefit because, unlike the earlier versions, we no longer have to custom make SmartSoles for our international distributors with their Sim cards, so our manufacturing cost and time lines are reduced and we have more flexibility to timely meet our customers' requirements. Also we now are able to bill for data charges in over 100 countries, thereby increasing our potential markets. The ability to both produce a product that is able to be delivered to foreign market without customization and to bill for data charges in additional countries will enable us to increase our RPS (revenue per subscriber).

Global Trek Xploration has developed a "carrier-class" architecture and hosts the servers in a facility Data Center (reliable to 99.999%). The local service center runs on redundant off-the-shelf servers. This enables cost-efficient expansion, without the need for application code changes.

Our core tracking products (SmartSole, Take-Along-Tracker, OEM modules and Track my Work Force App) are supported by the existing infrastructure for the worldwide cell network that provides coverage throughout the United States, Canada, Mexico and numerous other countries that operate on the global GSM Wireless networks. In addition, the personal locators will have the ability to operate on the networks of 290 carriers in over 210 countries.

Strategic Relationships and Licensing Arrangements

The main initiatives of Global Trek Xploration is to offer location based hardware and/or its IoT data monitoring platform to third parties for the sale and distribution of location based products/services in various markets. We begin the process by entering into a platform test agreement or pilot program with a potential partner with the intent to transition into a long-term relationship. By establishing and building partnerships, through licensing agreements, OEM, and carrier relationships, we facilitate efficient entry into new markets leveraging each company's core competencies. We enhance the value of our distribution channels by aligning our sales and marketing efforts with strategic partners, including co-branding, distribution and marketing with telecommunication companies, wireless carriers, national retailers and major consumer branded companies.

Global Trek Xploration has the ability to customize its products to different form factors for the specific needs of its customers. To date, the Company has created three custom solutions: 1) the monitoring of seniors by installing the GPS device into specially designed shoes and insoles; 2) the monitoring of children by installing the GPS device into specially designed toys, belts, insoles and backpacks; and 3) the monitoring of various high value assets such as drones, long guns and other mobile assets.

The Company has several key strategic relationships established both on the supply side and the distribution side. Some of the key partners on the supply side are Atlantic Footcare, which manufactures our SmartSoles, Telic which manufactures our GPS and Cellular electronics, and Telefonica which provides our global connectivity. On the distribution side, we have numerous partnerships worldwide, ranging from distributors, health organizations, and retailers.

The Company continues to engage in new pilot programs domestically and internationally with these pilot programs being conducted by assisted living facilities, Government and Municipal agencies, Police departments, health organizations, retailers, distributors, universities; non-profits, special needs schools and independent sales organizations. The pilot programs generally last 2 to 4 months with a constant rotation of some pilots converting to commercial rollouts and new pilots coming in.

LOCiMOBILE, Inc.

LOCiMOBILE, Inc., our mobile application subsidiary, developed and owns LOCiMOBILE®, a suite of mobile tracking applications (“Apps”) that turn the latest Smartphones and tablets such as iPhone®, iPad, Google Android and other GPS enabled handsets into a tracking and location based social networking device which can be viewed through our tracking portal or on any connected device with internet access. Additionally, we have released our newest enterprise App, *Track My Work Force,* which allows employers to easily track and monitor employees, drivers, sales reps, and more using their Smartphone, tablet or any wireless devices. The Company continues to rollout new and innovative products which will include a series of applications that will be geared for the enterprise user, by offering “private label” versions of our popular consumer Apps to companies looking for a more personalized and secure methods of keeping track of their employees. Our roadmap also consists of additional applications for the iPad, other tablets, TV’s, and more applications for the iPhone and Google Android operating systems. Our goal is to expand our user base community, increase the value of our brand, and generate revenues from App sales, monthly subscriptions and advertising.

GENERAL

We maintain several Internet websites, blogs and social media sites including; www.gtxcorp.com, www.locimobile.com, www.trackmyworkforce.co, www.gpssmartsole.com, www.codeamberalertag.com and www.gpstrackingapps.com. Our annual reports, quarterly reports, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and other information related to this Company, are available, free of charge, on our corporate website as soon as we electronically file those documents with, or otherwise furnish them to, the Securities and Exchange Commission. The Company's various Internet websites and the information contained therein, or connected thereto, are not, and are not intended, to be incorporated into this Annual Report on Form 10-K.

INTELLECTUAL PROPERTY INVESTMENT

Since 2002, we have invested, and continue to invest, significantly in our intellectual property portfolio, which consist of patents, trademarks and URLs. We have an ongoing program to file additional applications for and to obtain patents in the United States and in selected foreign countries where we believe filing for such protection is appropriate. Currently, we own 24 patents, many of which have priority dates going back to as early as 2002, with several in the footwear category and a majority covering other aspects of the personal locator technology. The IP also addresses our operating system and user interface. We also have several trademarks and acquired a license in 2011 for 62 external patents all in the field of geo – specific location based services.

THE INDUSTRY

It is now possible for a network of physical objects (humans, vehicles, buildings, infrastructure, equipment of all shapes and types) to collect and exchange data and to work together. This enables devices, sensors and systems to operate autonomously in pursuit of goals and objectives set by the human architects of the system. This has become known as The Internet of Things (IoT) and will drive radical change across multiple industries. While we all move towards an even more connected world, we believe that accurately identifying the location of a person or assets in real time will be a key driver in many wearable and IoT devices.

Smart technology is becoming the norm and it is starting to find its way into all parts of society. Miniature electronic devices that are worn by a person, commonly referred to as wearables, were a big and emerging part of the smart technology landscape for 2016 and is continuing on a strong upward trajectory in 2017. Wearable Technology is on the rise in personal fitness, wellness, healthcare and business use. CCS Insight recently updated its outlook on the future of wearable tech, indicating that 411 million smart wearable devices, worth a staggering $34 billion, will be sold in 2020.

The Caregiving Innovation Frontiers (CIF) study found that an estimated 117 million Americans will need assistance of some kind by 2020, but the number of unpaid caregivers is only expected to reach 45 million in the same year. We believe that these unpaid caregivers would benefit from solutions that assist them in locating and monitoring their elderly persons. This huge demand represents a $279 billion revenue opportunity over the next four years across six different business areas identified in the study, with 80% of spending being out-of-pocket costs. Technology solutions and remote health monitoring systems that enable family caregivers to monitor the location of elderly persons could provide key relief, according to the report. The CIF report outlined six areas for business opportunities, with huge potential for revenue grabs. Technology represents an opportunity across all the service areas, according to AARP. The majority of family caregivers—67% of them—want to use technology to monitor their loved one’s health and safety, but only about 10% are doing so right now, leaving a lot of room for growth.

In our ever-mobile society, it helps to know where we are and where we are going. Same with caregivers of seniors suffering from Alzheimer’s and dementia, freight forwarding companies wanting to know where their packages are, and employers want to know where their field workers are. Many parents desire to have the ability to know where their children are and where they are going. Having such information is now possible with access to real-time information delivered on-demand through miniaturized, low power consumption locator systems and technologies such as ours.

The rising need for two-way GPS and location based services is influenced by several factors, among them:

- Universal awareness and expanding penetration of GPS enabled mobile smartphones & tablets *(estimated 2 billion shipments worldwide in 2015).*
- Personal and asset security concerns affecting a greater portion of the population. This includes the increased awareness related to Global Terrorism and unrest.
- Increasing numbers of elderly or memory impaired *(Alzheimer's, dementia, autism, etc. 9 million in U.S. and growing to 277 million worldwide by 2050).*
- Corporations needing to manage worker productivity and logistics.
- Government agencies, law enforcement and military personnel monitoring.
- Massive life style adoption of Location Based Social Networking.

GROWTH STRATEGY

We are engaged in a three-prong business model; business-to-business (B2B), business-to-consumer (B2C) and licensing of our technology to other companies. Our initial focus it to provide personal monitoring and asset location products and services within specific niche markets. Once we hit critical mass in pricing, we will expand into the mass consumer markets. The strategy is to establish licensing relationships with key industry partners who will embed our technology into their products to sell to their established customer base. Key elements of our strategy include:

- Providing our Personal Locator embedded module to licensees to empower their products with our two-way GPS tracking capabilities;
- Providing B2B hardware leasing programs;
- OEM private label manufacturing;
- A mass market retail price under $149.00 for Personal Location devices;
- A monthly service fee structure, under $20.00, having multiple convenient access points (mobile phone, land line, or via the Internet);
- Reduction in hardware size and cost in order to open new markets such as kids;
- Continue expanding our medical reimbursement programs;
- Rolling out bio metrics and home health solutions;
- Expanding distribution into Asia;
- Increasing the number of solutions for the military and law enforcement markets;
- Ease of use at the location interface point as well as with the device, using state-of-the-art cloud computing and cloud application development and;
- Continue our IP monetization campaign.

COMPETITION

Personal location and property tracking devices of various kinds are currently available from various vendors, and the number of competitive products is increasing rapidly in the marketplace. Furthermore, many of the location products and services are available at no cost to the user or are already included in other products. Nevertheless, we believe this rapidly growing market acceptance of the tracking solutions that we offer represents an opportunity as the intrinsic value of the tracking solutions is recognized and mass market adoption continues. The key competitive advantage for GTX in its lead SmartSole product is our innovative approach to embedding electronics inside a flexible footwear system, which advantage is protected by an extensive patent portfolio and first to market.

Key differentiators between ourselves and the competition is:

B2B:

- Providing a comprehensive end-to-end solution comprised of hardware, software, and global connectivity, and
- The ability to strategically align ourselves with partners to embed our technology through OEM or private label programs.

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B2C:

Our BLE & GPS SmartSole is the only non-visible, non-intrusive solution.

There are numerous competitors for GPS products in general, and our for LOCiMOBILE® smart phone applications in particular, including Location Based Technologies, Inc., Google Latitude, Foursquare, Trimble Navigation, Inc., Brick House Security and SOS GPS, Inc.

Most of our competitors are better financed than we are and/or have greater marketing and scientific resources than we can provide. We are also aware of a number of domestic and foreign competitors that offer less expensive personal location tracking products.

GOVERNMENT REGULATION

We are subject to federal, state and local laws and regulations applied to businesses generally as well as FCC, IC and CE wireless device regulations and controls. We believe that we are in conformity with all applicable laws in all relevant jurisdictions. We do not believe that our operations are subject to any environmental laws and regulations of the United States nor the states in which they operate.

OTHER LOCATION PRODUCTS

In addition to marketing our own proprietary products such as the GPS and BLE SmartSole, we also market and sell the line of Take-Along Tracker tracking devices that are manufactured by third party suppliers. The Take-Along Tracker is a compact, fully certified quad-band integrated device that provides complete GSM/GPRS functionality for mobile tracking applications, which is waterproof, shock proof and comes with an SOS button. We primarily sell this product to a customer in the drone industry. These products are sold under our GTX brand, and they can be branded with other companies' names. All these devices operate through, and use our middleware platform and viewing portal. We retail sell these devices on Amazon.com to individuals and wholesale as a complete solution including platform and wireless connectivity, providing us with product sales revenues and subsequent recurring monthly service revenues. In addition to hardware device sales, as part of our international expansion plans, we are also licensing our enterprise portal and middleware platform, which contributes to an increase in our monthly subscription revenues.

EMPLOYEES AND CONSULTANTS

As of December 31, 2017, the Company had fifteen full-time and part-time employees, advisors, independent contractors and sales personnel. Any selling, marketing, technical, IT and/or software development work that is not handled by our employees is outsourced to qualified contractors and consultants as deemed necessary.

ITEM 1A: RISK FACTORS

Investing in our common stock is highly speculative and involves a high degree of risk. Any potential investor should carefully consider the risks and uncertainties described below before purchasing any shares of our common stock. The risks described below are those we currently believe may materially affect us. If any of them occur, our business, financial condition, operating results or cash flow could be materially harmed. As a result, the trading price of our stock could decline, and you might lose all or part of your investment. Our business, financial condition and operating results, or the value of any investment you make in the stock of our company, or both, could be adversely affected by any of the factors listed and described below. These risks and uncertainties, however, are not the only ones that we face. Additional risks and uncertainties not currently known to us, or that we currently think are immaterial, may also impair our business operations or the value of your investment.

RISKS RELATED TO OUR BUSINESS

We will need additional funding in the near future to continue our current level of operations and growth.

As of December 31, 2017, we had a working capital deficit of $1,675,414 and an accumulated deficit of $21,005,763. In addition, for the year ended December 31, 2017, we had a loss of $1,266,344 and negative cash flow from operating activities of $632,199. Revenues generated from our current operations are not sufficient to pay our on-going operating expenses. Our working capital needs in 2017 were partially funded by the $75,000 of consulting income that we received from Inventergy Innovations, LLC. Inventergy's obligations to make these payments has been fulfilled as per the agreement. In 2018, we agreed to reduce the quarterly draws that we have been receiving from our partnership with Inventergy Innovations, and the revenues, if any, that we may receive from our licensing and litigation initiative of our IP is unpredictaable. Therefore, we will have to obtain additional funding from the sale of our securities or from strategic transactions in order to fund our current level of operations. In order to fund our working capital needs and our product development costs, during 2017, we entered into eighteen (18) separate note and share purchase agreements with four separate, unaffiliated accredited investors, resulting in net proceeds of $556,000. Additionally, during the first quarter of 2018, we entered into three Note and Share Purchase Agreements with individual accredited investors resulting in net proceeds of $262,500. Aside from continuing these loan transactions, we have not identified the sources for additional financing that we may require, and we do not have commitments from third parties to continue to provide this financing. Certain investors may be unwilling to invest in our securities since we are traded on the OTCPink market and not on a national securities exchange, particularly if there is only limited trading in our common stock on the OTCPink market at the time we seek financing. There is no assurance that sufficient funding through a financing will be available to us at acceptable terms or at all. Historically, we have raised capital through the issuance of our convertible debt securities and our equity securities. However, given the risks associated with our business, the risks associated with our common stock, the worldwide financial uncertainty that has affected the capital markets, and our status as a small, unknown public company, we expect in the near future, we will have a great deal of difficulty raising capital through traditional financing sources. Therefore, we cannot guarantee that we will be able to raise capital, or if we are able to raise capital, that such capital will be in the amounts needed. Our failure to raise capital, when needed, and in sufficient amounts, will severely impact our ability to continue to develop our business as planned. In addition, if we are unable to obtain funding as, and when needed, we may have to further reduce and/or cease our future operations. Any additional funding that we obtain in an equity or convertible debt financing is likely to reduce the percentage ownership of the company held by our existing security holders.

Based on the above factors, our auditors have concluded that there is substantial doubt as to our ability to continue as a going concern.

We have had operating losses since formation and expect to continue to incur net losses for the near term.

We currently have a working capital deficit and our current and projected revenues are not sufficient to fund our anticipated operating needs. We have reported net losses of $1,266,344 and $1,220,356 for the years ended December 31, 2017 and 2016, respectively. While we anticipate that revenues will increase in 2018, unless our sales increase substantially in the near future, we will continue to incur net losses in the near term, and we may never be able to achieve profitability. In order to achieve profitable operations, we need to significantly increase our revenues from the sales of product, subscriptions and licensing fees. We cannot be certain that our business will ever be successful or that we will generate significant revenues and become profitable. As a result, an investment in our company is highly speculative and no assurance can be given that our business model will be successful and, therefore, that our stockholders will realize any return on their investment or that they will not lose their entire investment.

Our current sources of funding are limited, and any additional funding that we may obtain may be on unfavorable terms and may significantly dilute our existing shareholders.

We have not identified sources to fund our current and proposed operating activities. The amount of revenues that we currently generate is not sufficient to fund our operating expenses. As a result, unless and until our revenues increase significantly in the near future, we will have to obtain additional public or private equity financings or debt financings in order to continue our operations. Any additional funding that we obtain in a financing is likely to reduce the percentage ownership of the Company held by our existing security-holders. The amount of this dilution may be substantial based on our current stock price, and could increase if the trading price of our common stock declines at the time of any financing from its current levels. To the extent we raise additional capital by issuing equity securities, our stockholders will experience further dilution. If we raise funds through debt financings, we may become subject to restrictive covenants. We may also attempt to raise funds through corporate collaboration and licensing arrangements. To the extent that we raise additional funds through such means, we may be required to relinquish some rights to our technologies or products, or grant licenses on terms that are not favorable to us. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain the needed additional funding, we will have to reduce or even totally discontinue our operations, which would have a significant negative impact on our stockholders and could result in a total loss of their investment in our stock.

Our future capital requirements, and our currently projected operating and liquidity requirements, will depend on many factors, including:

- The ramping and scaling of the GPS SmartSole® and BLE SmartSole;
- Supporting growth with advertising and marketing;
- Our ongoing general and administrative expenses related to our being a reporting company;
- The cost of developing and improving our products and technologies thru R&D and staying competitive; and
- The maintenance and the ongoing development of our IP portfolio.

Funding, especially on terms acceptable to us, may not be available to meet our future capital needs because of the state of the credit and capital markets. Global market and economic conditions have been, and continue to be, disruptive and volatile. The cost of raising money in the debt and equity capital markets for smaller companies like ours has increased substantially while the availability of funds from those markets has diminished significantly. Also, low valuations and decreased appetite for equity investments, among other factors, may make the equity markets difficult to access on acceptable terms or unavailable altogether.

If adequate funds are not available, we may be required to delay, scale-back or eliminate our product enhancement and new product development programs. There can be no assurance that additional financing will be available on acceptable terms or at all, if and when required.

Our projected revenues in 2018 rely on the scaling of the GPS and BLE SmartSole®, increasing our military business, growing our OEM and IP monetization business.

We completed the development and testing of our second-generation footwear product, the GPS and BLE SmartSole® in 2014 and began commercially shipping the product at the beginning of 2015. However, we have not generated adequate revenues in 2017 from the sales of the SmartSoles and from on-going subscription fees to cover operating expenses. Our revenue projections for 2018 assume that the revenues we generated from the SmartSole will increase significantly from the amount generated in 2017 and that our other business units will grow accordingly. However, we cannot predict the future and continued market acceptance of the SmartSole product line. Accordingly, it is uncertain whether our revenues will equal our internally projected levels. Failure to reach our target revenue levels will materially, and adversely, affect our financial condition.

We may never receive significant additional revenues from our strategic agreement with Inventergy Innovations, LLC.

On June 16, 2016, the Company entered into a Definitive Agreement with Inventergy Innovations, LLC, a subsidiary of Inventergy Global, Inc. (NASDAQ: INVT). The purpose of the Definitive Agreement is to allow Inventergy to monetize three of the Company's location based patents. Inventergy Innovations intends to generate a return by either licensing these patents to third parties, sell the patents, or to initiate a patent infringement suit against potential infringers and seek damages from infringers. The Company owns a 45% interest in Inventergy Innovations. Therefore, if Inventergy Innovations is successful in monetizing the three patents, the potential return to the Company from its arrangement with Inventergy could be substantial. However, the Company cannot predict whether Inventergy will ever be able to generate a return from these patents, how much revenue Inventergy could generate, or when such returns would be realized. There are numerous risks associated with monetizing the three patents, including Inventergy's ability to fund protracted infringement litigation with potential infringers, its ability to successfully out-license the rights, and its determination and willingness to pursue these patented rights. Accordingly, no assurance can be given that the Company will ever realize additional revenues beyond the quarterly draws from its arrangement with Inventergy Innovations.

The nature of our business is speculative and dependent on a number of variables beyond our control that cannot be reliably ascertained in advance.

The revenues and profits of an enterprise involved in the location based business are generally dependent upon many variables. Our customer appeal depends upon factors which cannot be reliably ascertained in advance and over which we have no control, such as unpredictable customer and media reviews, industry analyst commentaries, and comparisons to competitive products. As with any relatively new business enterprise operating in a specialized and intensely competitive market, we are subject to many business risks which include, but are not limited to, unforeseen marketing difficulties, excessive research and development expenses, unforeseen negative publicity, competition, product liability issues, manufacturing and logistical difficulties, and lack of operating experience. Many of the risks may be unforeseeable or beyond our control. There can be no assurance that we will successfully implement our business plan in a timely or effective manner, that we will be able to generate sufficient interest in our products, or that we will be able to market and sell enough products and services to generate sufficient revenues to continue as a going concern.

Our wireless location products and technologies have to continuously evolve and respond to market changes. If we are unable to commercially release products that are accepted in the market or that generate significant revenues, our financial results will continue to suffer.

Wireless technology is rapidly changing, as are the products that our customers are demanding. In order to be able to provide our customers with the products and services that they desire, we too must continuously develop and offer new and improved products and services. We have attempted to adjust our product offerings to address changing market conditions by offering products such as proprietary GPS enabled transport containers, footwear location products, and a variety of smartphone location Apps, secure backpacks, etc. These products have met with short-term or limited commercial success, and there can be no assurances that consumer or commercial demand for our future products will meet, or even approach, our expectations. In addition, our pricing and marketing strategies may not be successful. Lack of customer demand, a change in marketing strategy and changes to our pricing models could dramatically alter our financial results. Unless we are able to release location based products that meet a significant market demand, we will not be able to improve our financial condition or the results of our future operations.

In order for our products to be successful, we need to establish market recognition quickly, following the introduction of our products.

We believe it is imperative to our success that we obtain significant market recognition in order to compete in our various markets. Accordingly, it is important that we establish market recognition for our brands in order to be able to continue to be a material participant in the large markets that we are addressing. To date, we have utilized various marketing and free media exposure and have tried to build market recognition both directly for our products and also by tying our products to our LOCiMOBILE Apps and the Code Amber Alertag brand that we own. However, because of our lack of funding and limited resources, our ability to quickly establish our brands may be severely hampered.

We may encounter manufacturing or assembly problems for our products, which would adversely affect our results of operations and financial condition.

To date, we have only manufactured a limited number of products. In addition, we are continually redesigning and enhancing our products and we are designing new products based on that technology that we hope to manufacture and market in the near future. The manufacture and assembly of our products involves complex and precise processes, some of which have subcontracted to other companies and consultants. To date, we have experienced some quality issues with the limited production of some of our initial products. Although we continue to address these issues, we have only manufactured a limited quantity of products and so we do not yet know whether we will encounter any serious problems in the production of larger quantities of our existing or new products. Any significant problems in manufacturing, assembling or testing our products could delay the sales of our products and have an adverse impact on our business and prospects. The willingness of manufacturers to make the product, or lack of availability of manufacturing capacity, may have an adverse impact on the availability of our products and on our ability to sell our products. Manufacturing difficulties will harm our ability to compete and adversely affect our results of operations and financial condition, and may hinder our ability to grow our business as we expect.

We primarily depend upon two manufacturers for the components of our SmartSole and if we encounter problems with these manufacturers there is no assurance that we could obtain products from other manufacturers without significant disruptions to our business.

The principal components and subassemblies of our products are currently manufactured for us by two manufacturers. Although we could arrange for other manufacturers to supply these components and subassemblies, there is no assurance that we could do so without undue cost, expense and delay. If our manufacturers are unable to provide us with adequate supplies of high-quality components on a timely and cost-efficient basis, our operations will be disrupted and our net revenue and profitability will suffer. Moreover, if those manufacturers cannot consistently produce high-quality products that are free of defects, we may experience a high rate of product returns, which would also reduce our profitability and may harm our reputation and brand. Although we believe that we could locate alternate contract manufacturers, our operations would be impacted until alternate manufacturers are found.

Our markets are highly competitive, and our failure to compete successfully would limit our ability to sell our products, attract and retain customers and grow our business.

Our markets are highly competitive and we expect that both direct and indirect competition will increase in the future. Within each of our markets, we encounter direct competition from various larger U.S. and non-U.S. competitors. The adoption of new technology in the communications industry likely will intensify the competition for improved wireless location technologies. The wireless location services market has historically been dominated by large companies, such as Siemens AG, AT&T and LoJack Corporation. In addition, a number of other companies such as Trimble Navigation, Zoomback, Verizon, FireFly, Disney, Mattel, Digital Angel Corporation, Location-Based Technologies, Inc. and WebTech Wireless Inc. either have announced plans for new products or have commenced selling products that are similar to our wireless location products, and new competitors are emerging both in the U.S. and abroad to compete with our wireless location services products. Due to the rapidly evolving markets in which we compete, additional competitors with significant market presence and financial resources may enter those markets, thereby further intensifying competition, adversely affecting our sales, and adversely affecting our business and prospects.

We may not be successful in developing our new products and services.

The market for telecommunications based products and services is characterized by rapid technological change, changing customer needs, frequent new product introductions and evolving industry standards. These market characteristics are exacerbated by the emerging nature of this market and the fact that many companies are expected to continually introduce new and innovative products and services. Our success will depend partially on our ability to introduce new products, services and technologies continually and on a timely basis and to continue to improve the performance, features and reliability of our products and services in response to both evolving demands of prospective customers and competitive products. There can be no assurance that any of our new or proposed products or services will maintain the limited market acceptance that we have to date established. Our failure to design, develop, test, market and introduce new and enhanced products, technologies and services successfully so as to achieve market acceptance could have a material adverse effect upon our business, operating results and financial condition.

There can be no assurance that we will not experience difficulties that could delay or prevent the successful development, introduction or marketing of new or enhanced products and services, or that our new products and services will adequately satisfy the requirements of prospective customers and achieve significant acceptance by those customers. Because of certain market characteristics, including technological change, changing customer needs, frequent new product and service introductions and evolving industry standards, the continued introduction of new products and services is critical. Delays in the introduction of new products and services may result in customer dissatisfaction and may delay or cause a loss of revenue. There can be no assurance that we will be successful in developing new products or services or improving existing products and services that respond to technological changes or evolving industry standards.

In addition, new or enhanced products and services introduced by us may contain undetected errors that require significant design modifications. This could result in a loss of customer confidence which could adversely affect the use of our products, which in turn, could have a material adverse effect upon our business, results of operations or financial condition.

Our software products are complex and may contain unknown defects that could result in numerous adverse consequences, resulting in costly litigation or diverting management's attention and resources.

Complex software products such as those associated with our products often contain latent errors or defects, particularly when first introduced, or when new versions or enhancements are released. We have experienced and addressed errors and defects in the software associated with our products, but do not believe these errors will have a material negative effect in the future on the functionality of the products. However, there can be no assurance that, despite testing, additional defects and errors will not be found in the current version, or in any new versions or enhancements of this software or any of our products, any of which could result in damage to our reputation, the loss of sales, a diversion of our product development resources, and/or a delay in market acceptance, and thereby materially adversely affecting our business, operating results and financial condition. Furthermore, there can be no assurance that our products will meet all of the expectations and demands of our customers. The failure of our products to perform to customer expectations could give rise to warranty claims. Any of these claims, even if not meritorious, could result in costly litigation or divert management's attention and resources. Any product liability insurance that we may carry could be insufficient to protect us from all liability that may be imposed under any asserted claims.

We cannot accurately predict our future revenues and expenses.

We are currently developing various sources of revenues based on market conditions and the type of products that we are marketing. Our sales will not become stable and predictable until we either have a larger installed base of users for our tracking devices (which will provide us with predictable, monthly revenues), we enter into other license agreements that provide us with regular royalties or subscription revenues, or we consummate other large scale enterprise contracts. As such, the amount of revenues we receive from the sale and use of our products, our subscriptions, and our licensing agreements, will fluctuate and depend upon our customer's willingness to buy our products, and for our partner's abilities to sell the products that contain our technology. As with any developing enterprise operating in a specialized and intensely competitive market, we are subject to many business risks which include, but are not limited to, unforeseen negative publicity, competition, product liability and lack of operating experience. Many of the risks may be unforeseeable or beyond our control. There can be no assurance that we will successfully implement our business plan in a timely manner, or generate sufficient interest in our products or services, or that we will be able to market and sell enough products and services to generate sufficient revenues to continue as a going concern.

Our expense levels in the future will be based, in large part, on our expectations regarding future revenue, and as a result net income/loss for any quarterly period in which material orders are delayed could vary significantly. In addition, our costs and expenses may vary from period to period because of a variety of factors, including our research and development costs, our introduction of new products and services, cost increases from third-party service providers or product manufacturers, production interruptions, changes in marketing and sales expenditures, and competitive pricing pressures.

There are risks of international sales and operations.

We anticipate that a growing, and potentially substantial portion of our future revenue from the sale of our products and services may be derived from customers located outside the United States. As such, a portion of our sales and operations could be subject to tariffs and other import-export barriers, currency exchange risks and exchange controls, foreign product standards, potentially adverse tax consequences, longer payment cycles, problems in collecting accounts receivable, political instability, and difficulties in staffing and managing foreign operations. Although we intend to monitor our exposure to currency fluctuations and currently the U.S. dollar is very strong giving us a significant buying advantage, there can be no assurance that exchange rate fluctuations will not have an adverse effect on our results of operations or financial condition. In the future, we could be required to sell our products and services in other currencies, which would make the management of currency fluctuations more difficult and expose our business to greater risks in this regard.

Our products may be subject to numerous foreign government standards and regulations that are continually being amended. Although we will endeavor to satisfy foreign technical and regulatory standards, there can be no assurance that we will be able to comply with foreign government standards and regulations, or changes thereto, or that it will be cost effective for us to redesign our products to comply with such standards or regulations. Our inability to design or redesign products to comply with foreign standards could have a material adverse effect on our business, financial condition and results of operations.

Because of the global nature of the telecommunications business, it is possible that the governments of other states and foreign countries might attempt to regulate our transmissions or prosecute us for violations of their laws. There can be no assurance that violations of local laws will not be alleged by state or foreign governments, that we might not unintentionally violate such law, or that such laws will not be modified, or new laws enacted, in the future.

Any of the foregoing factors could have a material adverse effect on our business, results of operations, and financial condition.

If we fail to develop and maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our current and potential stockholders could lose confidence in our financial reports, which could harm our business and the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal controls over financial reporting and, depending on our future growth, may require our independent registered public accounting firm to annually attest to our evaluation, as well as issue their own opinion on our internal controls over financial reporting. The process of implementing and maintaining proper internal controls and complying with Section 404 is expensive and time consuming. We cannot be certain that the measures we will undertake will ensure that we will maintain adequate controls over our financial processes and reporting in the future. Furthermore, if we are able to rapidly grow our business, the internal controls that we will need will become more complex, and significantly more resources will be required to ensure our internal controls remain effective. Failure to implement required controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our auditors discover a material weakness in our internal controls, the disclosure of that fact, even if the weakness is quickly remedied, could diminish investors' confidence in our financial statements and harm our stock price. In addition, non-compliance with Section 404 could subject us to a variety of administrative sanctions, including the suspension of trading, ineligibility for future listing on one of the Nasdaq Stock Markets or national securities exchanges, and the inability of registered broker-dealers to make a market in our common stock, which may reduce our stock price.

We may suffer from product liability claims.

Faulty operation of our products may result in product liability claims brought against us. Regardless of the merit or eventual outcome, product liability claims may materially adversely affect our business and further result in:

- decreased demand for our products or withdrawal of the products from the market;
- injury to our reputation and significant media attention;
- costs of litigation; and
- substantial monetary awards to plaintiffs.

We have purchased annual product liability insurance with liability limits of $1,000,000 per occurrence and $2,000,000 in the aggregate. This coverage may not be sufficient to fully protect us against product liability claims. We intend to expand our product liability insurance coverage as sales of our products expand. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or limit the commercialization of our products and expose us to liability in excess of our coverage.

Our ability to compete could be jeopardized and our business seriously compromised if we are unable to protect ourselves from third-party challenges or infringement of the proprietary aspects of the wireless location products and technology we develop.

Our products utilize a variety of proprietary rights that are critical to our competitive position. Because the technology and intellectual property associated with our wireless location products are evolving and rapidly changing, our current intellectual property rights may not adequately protect us in the future. We rely on a combination of patent, copyright, trademark and trade secret laws and contractual restrictions to protect the intellectual property utilized in our products. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. In addition, monitoring unauthorized use of our products is difficult and we cannot be certain the steps we have taken will prevent unauthorized use of our technology. Also, it is possible that no additional patents or trademarks will be issued from our currently pending or future patent or trademark applications. Because legal standards relating to the validity, enforceability and scope of protection of patent and intellectual property rights are uncertain and still evolving, the future viability or value of our intellectual property rights is uncertain. Moreover, effective patent, trademark, copyright and trade secret protection may not be available in some countries in which we distribute or anticipate distributing our products. Furthermore, our competitors may independently develop similar technologies that limit the value of our intellectual property, design or patents. In addition, third parties may at some point claim certain aspects of our business infringe their intellectual property rights. While we are not currently subject to nor aware of any such claim, any future claim (with or without merit) could result in one or more of the following:

- Significant litigation costs;
- Diversion of resources, including the attention of management;
- Our agreement to pay certain royalty and/or licensing fees;
- Cause us to redesign those products that use such technology; or
- Cessation of our rights to use, market, or distribute such technology.

Any of these developments could materially and adversely affect our business, results of operations and financial condition. In the future, we may also need to file lawsuits to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others. Whether successful or unsuccessful, such litigation could result in substantial costs and diversion of resources. Such costs and diversion could materially and adversely affect our business, results of operations and financial condition.

We depend on our key personnel to manage our business effectively in a rapidly changing market. If we are unable to retain our key employees, our business, financial condition and results of operations could be harmed.

Our future success depends to a significant degree on the skills, efforts and continued services of our executive officers and other key engineering, manufacturing, operations, sales, marketing and support personnel. If we were to lose the services of one or more of our key executive officers or other key engineering, manufacturing, operations, sales, marketing and support personnel, we may not be able to grow our business as we expect, and our ability to compete could be harmed, adversely affecting our business and prospects.

Our products depend on continued availability of GPS and cellular wireless telecommunications systems.

Our products use existing GPS and cellular wireless telecommunications systems to identify the position of our products. Any temporary or permanent change in the availability of these systems, or any material change in the existing infrastructure and our ability to access those systems, would materially and adversely affect our business, operating results and financial condition may be materially and adversely affected.

Rapid technological change in our market and/or changes in customer requirements could cause our products to become obsolete or require us to redesign our products, which would have a material adverse effect on our business, operating results and financial condition.

The market for our products is characterized by rapid technological change, frequent new product introductions and enhancements, uncertain product life cycles, changing customer demands and evolving industry standards, any of which can render existing products obsolete. We believe that our future success will depend in large part on our ability to develop new and effective products in a timely manner and on a cost-effective basis. As a result of the complexities inherent in our products, major new products and product enhancements can require long development and testing periods, which may result in significant delays in the general availability of new releases or significant problems in the implementation of new releases. In addition, if we or our competitors announce or introduce new products our current or future customers may defer or cancel purchases of our products, which could materially adversely affect our business, operating results and financial condition. Our failure to develop successfully, on a timely and cost effective basis, new products or new product enhancements that respond to technological change, evolving industry standards or customer requirements would have a material adverse effect on our business, operating results and financial condition.

Changes in the government regulation of our wireless location products or wireless carriers could harm our business.

Our products, wireless carriers and other components of the communications industry are subject to domestic government regulation by the Federal Communications Commission (the "FCC") and international regulatory bodies. If we are unable to satisfy all of the regulations of the FCC or any other regulatory body, we could be prevented from releasing one or more of our products, which could materially and adversely affect our future revenues. In addition, any delay in obtaining FCC and other regulatory approval could likewise have a negative impact on our business and on our relationships with our customers. These regulatory bodies could enact regulations that affect our products or the service providers which distribute our products, such as limiting the scope of the service providers' market, capping fees for services provided by them or imposing communication technology standards which impact our products. Changes in these regulations could affect our products and, thereby, adversely affect our business and operations.

Future acquisitions or strategic investments may not be successful and may harm our operating results.

As part of our strategy, we have acquired or established smaller businesses, and we may do so in the future. For example, in the past we established our LOCiMOBILE, Inc. subsidiary and purchased our Code Amber News Service, Inc. subsidiary, which was discontinued in February 2015. Future acquisitions or strategic investments could have a material adverse effect on our business and operating results because of:

The assumption of unknown liabilities, including employee obligations. Although we normally conduct extensive legal and accounting due diligence in connection with our acquisitions, there are many liabilities that cannot be discovered, and which liabilities could be material.

We may become subject to significant expenses related to bringing the financial, accounting and internal control procedures of the acquired business into compliance with U.S. GAAP financial accounting standards and the Sarbanes Oxley Act of 2002.

Our operating results could be impaired as a result of restructuring or impairment charges related to amortization expenses associated with intangible assets.

We could experience significant difficulties in successfully integrating any acquired operations, technologies, customers' products and businesses with our existing operations.

Future acquisitions could divert substantial capital and our management's attention.

We may not be able to hire the key employees necessary to manage or staff the acquired enterprise operations.

Our executive officers and directors have the ability to significantly influence matters submitted to our stockholders for approval.

As of March 31, 2018, our executive officers and directors, in the aggregate, beneficially own shares representing approximately 8.24% of our common stock. Beneficial ownership includes shares over which an individual or entity has investment or voting power and includes shares that could be issued upon the exercise of options and warrants within 60 days after the date of determination. On matters submitted to our stockholders for approval, holders of our common stock are entitled to one vote per share. If our executive officers and directors choose to act together, they would have significant influence over all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these individuals, if they chose to act together, would have significant influence on the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire.

Failure to manage growth effectively could adversely affect our business, results of operations and financial condition.

The success of our future operating activities will depend upon our ability to expand our support system to meet the demands of our growing business. Any failure by our management to effectively anticipate, implement, and manage changes required to sustain our growth would have a material adverse effect on our business, financial condition, and results of operations. We cannot assure you that we will be able to successfully operate acquired businesses, become profitable in the future, or effectively manage any other change.

RISKS RELATED TO AN INVESTMENT IN OUR SECURITIES

The resale of shares by the holders of our convertible promissory notes and our other investors could depress the market price of our common stock.

We have issued a substantial amount of convertible promissory notes in the recent past to fund our working capital and other financial needs and may need to do so in the future. A number of the holders of these convertible notes have been converting these promissory notes into shares of our common stock. In addition, a substantial additional number of shares are issuable upon the conversion of currently outstanding convertible notes. The resale of a significant number of these shares into the public market by the investors could depress the market price of our common stock.

Our convertible notes may be converted into shares of our common stock at less than the then-prevailing market price for our common stock if the lenders chooses to convert the notes.

As of December 31, 2017, we had short term convertible notes with outstanding principal balances totaling $1,123,875 and during the first quarter of 2018 we entered into additional short term convertible notes with principal balances of $262,500 all of which can potentially be convertible into shares of the Company’s common stock at prices less than the then-prevailing market price. The lenders for these convertible notes have a financial incentive to convert the notes and realize the profit equal to the difference between the conversion price and the market price. If the convertible notes are converted, the price of our common stock could decrease. See further discussion regarding the conversion features of our convertible debentures in footnote 8 of our Financial Statements included herein.

During 2017, we converted notes payable with principal balances of approximately $392,600 owed to various investors into 174,631,014 shares of our common stock. Our average market price during 2017 was $0.005573 per share. Although our goal is to limit future issuances of such convertible notes, no assurance can be given that we will not have to raise funds from these types of investments in the future.

Our common stock is thinly traded and the price of our common stock may be negatively impacted by factors that are unrelated to our operations.

Our common stock is currently quoted on the OTCPink market. Trading of our stock through the OTCPink market is frequently thin and highly volatile. The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our business objectives, trading volume in our common stock, changes in general conditions in the economy and the financial markets, or other developments which affect us or our industry. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

When we issue additional shares in the future, it will likely result in the dilution of our existing stockholders.

Our articles of incorporation authorizes the issuance of up to 2,071,000,000 shares of common stock with a $0.001 par value, of which 704,248,645 common shares were issued and outstanding as of December 31, 2017 (we also are authorized to issue 10,000,000 preferred shares with a par value of $0.001, none of which have been issued). From time to time we may increase the number of shares available for issuance in connection with our equity compensation plans. Our board of directors may fix and determine the designations, rights, preferences or other variations of each class or series within each class of preferred stock and may choose to issue some or all of such shares to provide additional financing or acquire more businesses in the future.

The issuance of any shares for acquisition, licensing or financing efforts, upon conversion of any preferred stock or exercise of warrants and options, pursuant to our equity compensation plans, or otherwise may result in a reduction of the book value and market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current stockholders.

Financial Industry Regulatory Authority (FINRA) sales practice requirements may also limit a stockholder's ability to buy and sell our common stock.

The Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We have never paid dividends on our common stock and do not anticipate paying any in the foreseeable future.

We have never declared or paid a cash dividend on our common stock and we do not expect to pay cash dividends in the foreseeable future. If we do have available cash, we intend to use it to grow our business. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including but not limited to our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at that time. In addition, our ability to pay dividends on our common stock may be limited by Nevada corporate law. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock.

The elimination of monetary liability against our directors, officers and employees under Nevada law and the existence of indemnification rights to our directors, officers and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers and employees.

Our Amended and Restated Bylaws contain specific provisions that eliminate the liability of our directors for monetary damages to our company and stockholders, and permit indemnification of our directors and officers to the extent provided by Nevada law. We may also have contractual indemnification obligations under our employment agreements with our officers. The foregoing indemnification obligations could result in our company incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and resultant costs may also discourage our company from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit our company and stockholders.

You may have difficulty selling our shares because they are deemed "penny stocks."

Our common stock is currently quoted on the OTCPink market under the symbol "GTXO." Since our common stock is not listed on a national securities exchange, if the trading price of our common stock remains below $5.00 per share, trading in our common stock will be subject to the requirements of certain rules promulgated under the Exchange Act, which require additional disclosure by broker-dealers in connection with any trades involving a stock defined as a penny stock (generally, any non-national securities exchange equity security that has a market price of less than $5.00 per share, subject to certain exceptions). The additional burdens imposed upon broker-dealers could discourage broker-dealers from effecting transactions in our common stock, which could severely limit the market liquidity of the common stock and the ability of holders of the common stock to sell their shares.

Stockholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through pre-arranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. DESCRIPTION OF PROPERTIES

Our executive, administrative and operating offices are located at 117 W 9th Street, Suite 1214, Los Angeles, California 90015. Our office space is approximately 1,430 square feet and consists of administrative work space for a base rent of $1,325 per month. The lease is currently on a year-to-year basis.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may be involved in routine legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. The ultimate amount of liability, if any, for any claims of any type (either alone or in the aggregate) may materially and adversely affect our financial condition, results of operations and liquidity. In addition, the ultimate outcome of any litigation is uncertain. Any outcome, whether favorable or unfavorable, may materially and adversely affect us due to legal costs and expenses, diversion of management attention and other factors. We expense legal costs in the period incurred. We cannot assure you that additional contingencies of a legal nature or contingencies having legal aspects will not be asserted against us in the future, and these matters could relate to prior, current or future transactions or events.

We are not currently a party to any material legal proceedings. We are not aware of any pending or threatened litigation against us that we expect will have a material adverse effect on our business, financial condition, liquidity, or operating results. However, legal claims are inherently uncertain, and we cannot assure you that we will not be adversely affected in the future by legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information. Our common stock is quoted on the over-the-counter market on the OTCPink trading platform under the symbol “GTXO.” The following table sets forth the high and low sale prices for our common stock on the OTCPink market for the periods indicated:

	Year Ended December 31, 2017	
	High	**Low**
Quarter ended March 31, 2017	$0.0130	$0.0045
Quarter ended June 30, 2017	$0.0129	$0.0043
Quarter ended September 30, 2017	$0.0053	$0.0028
Quarter ended December 31, 2017	$0.0055	$0.0021

	Year Ended December 31, 2016	
	High	**Low**
Quarter ended March 31, 2016	$0.015	$0.005
Quarter ended June 30, 2016	$0.022	$0.007
Quarter ended September 30, 2016	$0.010	$0.006
Quarter ended December 31, 2016	$0.009	$0.005

Holders of Record. As of March 30, 2018, an aggregate of 773,474,456 shares of our common stock were issued and outstanding and were owned by approximately 258 holders of record, based on information provided by our transfer agent. The foregoing number of record holders does not include an unknown number of stockholders who hold their stock in "street name."

Recent Sales of Unregistered Securities.

On November 15, 2017, we accrued $7,875 of a $63,000 convertible note as part of a one-year advisory agreement. The note is due November 15, 2018 and can be paid in either cash or common stock.

On November 16, 2017, we issued 20,833,33 shares of common stock to an investor for converting $37,500 in debt from a Convertible Note that was issued in the second quarter of 2017.

On December 15, 2017, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $37,500. The Purchaser may convert their note after six months into common shares in the Company at a price equal to $0.001 The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on June 15, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

Re-Purchase of Equity Securities.

None

Dividends.

We have never declared or paid cash dividends on our capital stock ad we do not anticipate declaring or paying cash dividends on our capital stock in the foreseeable future. Any payments of cash dividends will be at the discretion of our board of directors, and will depend upon our results of operations, earnings, capital requirements, legal and contractual restrictions, and other factors deemed relevant by our board of directors.

Equity Compensation Plan Information.

On March 14, 2008, we adopted the 2008 Equity Compensation Plan (the "2008 Plan") pursuant to which were authorized to grant stock options, stock awards and stock appreciation rights of up to 7,000,000 shares of common stock to our employees, officers, directors and consultants. The 2008 Plan is administered by the Board of Directors of the Company.

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
2017				
Equity compensation plans approved by security holders	-	$	-	2,234,877
Equity compensation plans not approved by security holders	-		-	—
Total	-	$	-	2,234,877

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation S-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Business. GTX Corp and its subsidiaries (currently, Global Trek Xploration, Inc. and LOCiMOBILE, Inc.) are engaged in businesses that design, develop and sell various interrelated and complementary products and services in the Personal Location Services marketplace. Global Trek Xploration focuses on hardware and software design and development of products and services by offering a Global Positioning System ("GPS") Low Energy Blue Tooth (BLE) and cellular location platform that enables subscribers to track in real time the whereabouts of people, pets or high valued assets through a miniaturized transceiver module, wireless connectivity gateway, middleware and viewing portal. LOCiMOBILE, Inc. has developed and owns LOCiMobile™, and Track My Work Force (TMWF) a suite of mobile tracking applications that turn the iPhone, Android, and other GPS enabled handsets into a tracking device which can then be tracked from handset to handset or through our Location Data Center tracking portal and which allows the user to send a map to the recipient's phone showing the user's location.

Results of Operations

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this Annual Report.

The following table represents our statement of operations for the years ended December 31, 2017 and 2016:

	Year ended December 31, 2017			2016		
	$	% of Revenues		$	% of Revenues	
Revenues	421,735	78	%	432,744	62	%

Consulting income	116,653	22 %	270,826	38 %
Total revenues	538,388	100 %	703,570	100 %
Cost of goods sold	209,773	39 %	346,407	50 %
Gross Margin	328,615	61 %	357,163	50 %
Operating expenses:				
Wages and benefits	642,199	119 %	567,693	81 %
Professional fees	285,295	53 %	440,438	63 %
Sales and marketing expenses	44,446	8 %	-	- %
Research and development expenses	49,126	9 %	3,619	1 %
General and administrative	338,950	63 %	268,156	38 %
Total operating expenses	1,360,016	252 %	1,279,906	183 %
Loss from operations	(1,031,401)	-192 %	(922,743)	-131 %
Other expense/income, net	(234,943)	-44 %	(297,613)	-42 %
Net loss	(1,266,344)	-235 %	(1,220,356)	-173 %

Revenues

Product revenues increased in fiscal 2017 by 1% over fiscal 2016. Revenues as a whole in fiscal 2017 decreased by 23% or $165,182 in comparison to fiscal 2016 primarily due to the decrease in consulting fees we received from Inventergy. As per the agreement, in 2017, we transitioned into the licensing and litigation phase which reduced our consulting fees, however going forward we expect as litigation ramps up and licensing contracts get signed the revenue share part of the agreement is expected to increase. In addition, we began to presell our next generation GPS SamrtSoles, the receipt of $30,000 in prepaid sales for our Children's SmartSoles, were classified to deferred revenue, which can be realized as soon as we ship the product. Revenues from the sale of the GPS SmartSoles and related sales in fiscal 2017 accounted for approximately 79% of total revenues, in comparison to fiscal 2016, in which SmartSole and related sales accounted for approximately 62% of total revenues. The Company's goal is to generate recurring subscription revenues from the use of all of our tracking products, including the SmartSoles product. The balance of the revenue for fiscal year 2017 is represented by the sales of our new Military products, stand-alone units, consulting and IP licensing.

Cost of goods sold

Cost of goods sold decreased 39% or $136,634 during fiscal 2017 in comparison to fiscal 2016 primarily due to efficiencies in buying and manufacturing costs related to the sales of the SmartSole. As a result, total gross margin, excluding the Inventergy payments, increased from 20% in fiscal 2016 to 50% in fiscal 2017. As we increase our subscription base of monthly recurring fees, total overall gross margins are expected to increase accordingly.

Wages and benefits

Wages and benefits for fiscal 2017 increased $74,506 or 13% compared to fiscal 2016. The increase is a direct result of a growing subscriber base, new product development, and the military contract we received in the fourth quarter of 2017, all of which required an increase in personnel. In addition, due to a growing economy and overall rising wages, we needed to increase the salaries of our entire engineering staff in order to stay competitive in the market place and maintain employee retention, which was critical to the manufacturing of our military products.

Professional fees

Professional fees consist of costs attributable to consultants and contractors who primarily spend their time on legal, accounting, product development, business development, corporate advisory services and investor relations. Such costs decreased $155,143 or 35% in fiscal 2017 compared to fiscal 2016, as noted above, we increased in-house wages but decreased professional fees. Part of the reduction was attributed to allocating more responsibilities from outside contractors and consultants to in-house personnel.

Sale and marketing expenses

Sales and marketing expenses increased by 100% or $44,446 during 2017 in comparison to 2016, which reflects the initiation of online advertising utilizing social media and google ads. This was the first time the Company began direct advertising in order to increase online traffic and retail sales.

Research and development expenses

In 2017 increased our research and development expenses 1,257% as we incurred non-recurring R&D expenses of $49,126 related to the development of our Verizon, Military, Children's and bio metric product lines, as compared to $3,619 in 2016. With all new products there are initial capital expenses in order to develop porotypes and bring the product to light. As products transitions into production the R&D surrounding those products typically reduces over time.

General and administrative

General and administrative costs during fiscal 2017 increased by $70,794 or 26% in comparison to fiscal 2016 due to the costs related to the launch, marketing and market development associated with our Military, Children's SmartSoles and new biometric insoles, which increased supplies, equipment, website development and related marketing and sales expenses.

Other expense/income, net

Other expense/income, net decreased by 21%, or $62,670, from fiscal 2016 to fiscal 2017 primarily as a net result of decreased amortization of debt discount. The accounting treatment for the bifurcation of the derivative liabilities embedded in our short-term convertible notes results in a net derivative, non-cash income of $309,142. The derivative loss represents the change in fair value of the derivative liability during the period.

Net loss

Net loss during fiscal 2017 increased by $45,988, or 4%, in comparison to the net loss incurred during fiscal 2016. However, if we adjust for one-time non-recurring research and development and new product launch expenses, we would have realized a 4% decrease in overall net losses.

Liquidity and Capital Resources

As of December 31, 2017, we had $1,454 in cash and $211,118 of other current assets, and $1,887,986 of current liabilities, resulting in a working capital deficit of $1,675,414 compared to $95,431 in cash and a working capital deficit of approximately $1,233,909 as of December 31, 2016.

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Net cash used in operating activities was $632,199 for fiscal 2017 compared to $365,553 for fiscal 2016. The increase in net cash used in operating activities was largely attributed to research and development costs, advertising and marketing expenses related to our new product launches, reductions in accounts payable, and the reduction in stock based compensation for professional fees, and the increase in in-house personnel. However, in an effort to preserve cash for working capital needs our entire management team continues to accrue 30-40% of their wages payable.

Net cash provided by financing activities during fiscal 2017 was $546,000 and consisted of proceeds totaling $556,000 received from advances under various convertible note payable agreements. Net cash provided by financing activities during fiscal 2016 was $474,000 and consisted of proceeds totaling $497,000 received from advances under various convertible note payable agreements.

We expect to continue to generate revenues from our product sales, subscriptions, licensing, Track My Work Force, international distributors, hardware sales, professional services, new customers in the pipeline and possibly from the monetization of our IP portfolio by Inventergy Innovations. However, the amount of such revenues is unknown and is not expected to be sufficient to fund our working capital needs. Accordingly, we anticipate that we will have to continue to have negative cash flow from our operations and, therefore, will have to continue to raise additional capital in order to fund our operations in 2017.

In order to continue funding our working capital needs and our product development costs, during 2017 we entered into eighteen (18) separate note and share purchase agreements with four separate, unaffiliated accredited investors. As a result, we issued convertible notes with a total principal balance of $619,000 (the "2017 Convertible Notes"). Some of the 2017 Convertible Notes carry various original issue discounts of 40-51%, no OID or interest and some has no discount and OID's, but has interest ranging between 10-12%. As a result, in exchange for the 2017 Convertible Notes, we received cash proceeds of $556,000. Prior to 2017, we issued four 2016 Convertible Notes Payable, totaling $249,000 with 20%-26% OID's, and two 2015 Convertible Notes Payable, totaling $105,000 with 20% OIDs and there are six (6) 2014 Notes that matured after one-year and are convertible into common stock of the Company at $0.015 per share, subject to adjustment and mandatory conversion. These 1,425,000 additional shares of the Company's common stock are required to be issued to investors because the Convertible Notes issued in 2014 were not repaid or converted prior to June 30, 2015. As of December 31, 2017, none of these additional shares have been issued.

Subsequent to December 31, 2017, we entered into note and share purchase agreements related to inventory financing with an independent accredited investor. As a result, we issued convertible notes with a total principal balance of $262,500 (the "Q1 2018 Convertible Notes") for cash proceeds of $262,500. These notes carry a 12% interest, no OID, no discount to market or prepayment penalties.

In addition to continuing to incur normal operating expenses, we intend to continue our research and development efforts for our various technologies and products, including hardware, software, interface customization, and website development, and we also expect to further develop our sales, marketing and manufacturing programs associated with the commercialization, licensing and sales of our GPS devices and technology, and the commercialization of the LOCiMOBILE® applications for GPS enabled handsets. We currently do not have sufficient capital on hand to fully fund our proposed research and development activities, which lack of product development may negatively affect our future revenues.

As noted above, based on budgeted revenues and expenditures, unless revenues increase significantly, we believe that our existing and projected sources of liquidity may not be sufficient to satisfy our cash requirements for the next twelve months. Accordingly, we will need to raise additional funds in 2017. The sale of additional equity securities will result in additional dilution to our existing stockholders. Sale of debt securities could involve substantial operational and financial covenants that might inhibit our ability to follow our business plan. Any additional funding that we obtain in a financing is likely to reduce the percentage ownership of the Company held by our existing security-holders. The amount of this dilution may be substantial based on our current stock price, and could increase if the trading price of our common stock declines at the time of any financing from its current levels. We may also attempt to raise funds through corporate collaboration and licensing arrangements. To the extent that we raise additional funds through collaboration and licensing arrangements, we may be required to grant licenses on terms that are not favorable to us. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain the needed additional funding, we may have to further reduce our current level of operations, or, may even have to totally discontinue our operations.

We are subject to many risks associated with early stage businesses, including the above discussed risks associated with the ability to raise capital. Please see the section entitled "Risk Factors" for more information regarding risks associated with our business.

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations as of December 31, 2017:

		Payments due by period		
	Total	Less than 1 year	1-3 years	More than 3 years
Q4 2014 Notes	$126,000	$126,000	$-	$ -
2015 Convertible Notes	305,000	305,000	-	-
2016 Convertible Notes	249,000	249,000	-	-
2017 Convertible Notes	443,875	443,875	-	-
2016 Management Notes	428,997	-	428,997	-
2017 Management Notes	241,050	241,050	-	-
Total	$1,793,922	$1,364,925	$428,997	$ -

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation and changing prices have had no effect on our net sales and revenues or on our income from continuing operations over our two most recent fiscal years.

Critical Accounting Policies and Estimates

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

We have identified the following critical accounting policies that are most important to the portrayal of our financial condition and results of operations and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The following is a review of the more critical accounting policies and methods used by us:

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred net losses of $1,266,344 and $1,220,356 for the years ended December 31, 2017 and 2016, respectively, has incurred losses since inception resulting in an accumulated deficit of $21,005,763 as of December 31, 2017, and has negative working capital of $1,675,414 as of December 31, 2017. A significant part of our negative working capital position at December 31, 2017 consisted of $981,758 of amounts due to various accredited investors of the Company for convertible promissory notes. The Company anticipates further losses in the development of its business.

The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company's ability to raise additional capital through the future issuances of debt or equity is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, or its attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Revenue Recognition

Revenues consist primarily of the sale of our GPS tracking devices and the related monthly service fees, the sale of our GPS SmartSole, the monthly service fee from subscribers of the GPS SmartSole, and our mobile tracking applications sold via the Apple iTunes Store and the Google Marketplace.

The Company recognizes revenue from product sales when the product is shipped to the customer and title has transferred. The Company recognizes application revenue when the application is purchased by the customer. The Company assumes no remaining significant obligations associated with the product sale other than that related to its warranty program discussed below. Revenue related to monthly service fees both for the GPS and BLE SmartSole, GPS tracking devices, Alert Tag, licensing agreements and annual subscriptions are recognized over the respective terms of the agreements.

Revenue from multiple-element arrangements is allocated to the elements based on the relative fair value of each element, which is generally based on the relative sales price of each element when sold separately. Each element's allocated revenue is recognized when the revenue recognition criteria for that element have been met. If the Company cannot objectively determine the fair value of any undelivered element included in a multiple-element arrangement, the Company defers revenue until all elements are delivered and services have been performed, or until fair value can objectively be determined for any remaining undelivered elements.

Product Warranty

The Company's warranty policy provides repair or replacement of products (excluding GPS Shoe devices) returned for defects within ninety days of purchase. Warranty liabilities are recorded at the time of sale for the estimated costs that may be incurred under our standard warranty. As of December 31, 2017, products returned for repair or replacement have been immaterial. Accordingly, a warranty liability has not been deemed necessary.

Derivative Instruments

Our debt or equity instruments may contain embedded derivative instruments, such as conversion options, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

Our derivative instrument liabilities are re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income, in the period in which the changes occur. For bifurcated conversion options that are accounted for as derivative instrument liabilities, we determine the fair value of these instruments using the Black-Scholes option pricing model. This model requires assumptions related to the remaining term of the instrument and risk-free rates of return, our current Common Stock price and expected dividend yield, and the expected volatility of our Common Stock price over the life of the option.

Stock-based Compensation

Stock-based compensation expense is recorded for stock and stock options awarded in return for services rendered. The expense is measured at the grant-date fair value of the award and recognized as compensation expense on a straight-line basis, which is generally commensurate with the vesting period. The Company estimates forfeitures that it expects will occur and records expense based upon the number of awards expected to vest.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by Item 8 are submitted in a separate section of this report, beginning on page F-1, and are incorporated herein and made a part hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act, as amended). Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("*COSO*") in *Internal Control—Integrated Framework*. Based on our assessment, management identified material weaknesses related to: (i) our internal review functions, (ii) a lack of segregation of incompatible duties within accounting functions, and (iii) insufficient personnel with an appropriate level of technical accounting knowledge, experience, and training in the application of GAAP commensurate with our complexity and our financial accounting and reporting requirements. As a result, management concluded that, as of December 31, 2017, the Company's internal control over financial reporting were not effective. Due to our size and the limited nature of our operations, segregation of all conflicting duties may not always be possible and may not be economically feasible. These weaknesses are due to our inadequate staffing during the period covered by this report and our lack of working capital to hire additional staff. Although management will periodically re-evaluate this situation, at this point it considers that the risk associated with such lack of segregation of duties and the potential benefits of adding employees to segregate such duties are not cost justified. We are in the process of determining how best to change our current system and implement a more effective system. However, there can be no assurance that implementation of any change will be completed in a timely manner or that it will be adequate once implemented. To the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting since one is not required.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the annual reporting period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers and Directors. Each of our directors was elected by the stockholders and serves until his or her successor is elected and qualified.

The board of directors currently has no nominating or compensation committee.

Our Chief Executive Officer serves pursuant to an employment agreement that was automatically extended for one year on March 14, 2017, and that will automatically be extended for successive one-year periods if not cancelled by either party. See “Item 10, Executive Compensation – Employment Agreements.”

The following table sets forth information regarding our executive officers and directors.

Name	Position Held	Age	Date First Appointed
Patrick E. Bertagna	President, Chief Executive Officer and Chairman of the Board	54	March 14, 2008
Alex McKean	Chief Financial Officer	54	October 3, 2011
Christopher M. Walsh	Director	68	July 1, 2015
Louis Rosenbaum	VP of Operations & Finance, Director	67	March 14, 2008 (Director) March 1, 2015 (VP)
Andrew Duncan	Director, Audit Committee Member, Corporate Secretary and Treasurer	53	April 2, 2010

Biographical Information

The following describes the backgrounds of current executive officers and directors. The Company currently has no independent directors, as defined in the NASDAQ rules governing members of boards of directors.

Mr. Bertagna is the director and the Chief Executive Officer of Global Trek Xploration and LOCiMOBILE, Inc. Mr. Rosenbaum is the VP of Operations and Finance and Mr. McKean is the Chief Financial Officer of each of those subsidiaries.

Patrick E. Bertagna – Director, Chief Executive Officer, President and Chairman of the Board

Mr. Bertagna was the founder of Global Trek Xploration in September 2002 and has since served as its Chief Executive Officer, President and Chairman of the Board of Directors of GTX. He is co-inventor of our patented GPS footwear technology. His career spans over 35 years in building companies in both technology and consumer branded products.

Mr. Bertagna began his career in consumer products importing apparel from Europe and later went on to import and manufacture apparel, accessories and footwear in over 20 countries. In 1993, Mr. Bertagna transitioned into technology and founded Barcode World, Inc. a supply chain software company, enabling accurate tracking of consumer products from design to retail. In June 2002 after selling this company, Mr. Bertagna combined his two past careers in consumer products and tracking technology and founded GTX.

Mr. Bertagna was born in the South of France and is fluent in French and Spanish, has formed alliances with Fortune 500 companies such as IBM, AT&T, Sports Authority, Federated Stores, Netscape and GE. He has been a keynote speaker and has been awarded several patents.

Mr. Bertagna has extensive knowledge of: the manufacturing industry, internet software development, building intellectual property portfolios and overall experience in growing early stage high-tech companies. As a founder of Global Trek Xploration and co-inventor of the GPS Shoe, this knowledge enables Mr. Bertagna to be uniquely qualified to be CEO and on the Board of Directors.

Alex McKean – Chief Financial Officer

Mr. McKean was appointed as our Chief Financial Officer in 2015, previously he was our Interim Chief Financial Officer since October 2011. He is currently also the Chief Financial Officer of Encore Brands, Inc., a position he has held since October 2009. Previous to that, he acted as an independent management consultant under his own firm, SGT Enterprises, Inc. as well as an independent contractor with Robert Half International and Ajilon Finance. Prior to establishing his own firm, during 2004-2007 Mr. McKean was with Parson Consulting working in such areas as: strategy, financial modeling, SEC filings, process management and Sarbanes Oxley. Mr. McKean has held positions as a Controller and VP of Finance at 24:7 Film from 2002-2004, VP of Finance at InternetStudios.com from 2000-2002, Director of FP&A/SVP at Franchise Mortgage Acceptance Company from 1998-2000, as Corporate Accounting Manager/Treasurer of Polygram Filmed Entertainment from 1996-1998 and Assistant Treasurer/Controller for State Street Bank from 1989-1996.

Mr. McKean holds an International MBA from Thunderbird’s School of Global Management and undergraduate degrees in Finance and Political Science from Trinity University.

Christopher M. Walsh - Director

Mr. Walsh joined this company as its Chief Operating Officer in March 2008, as of June 30, 2015 we accepted his resignation of the position and transitioned him into a Director on July 1, 2015. Mr. Walsh began his career with Nike in 1974 and subsequently established and implemented Nike's first manufacturing operation in the Far East. In 1989, Mr. Walsh joined Reebok International as Vice President of Production. In that role, he established the Company's inaugural Asian organization headquartered in Hong Kong with satellite organizations across Asia, and also played a critical role on the Reebok Pump Task Force directing the manufacturing initiatives associated with the unique components of the Pump system. After Reebok, Mr. Walsh moved to LA Gear in 1992 and, as Chief Operating Officer, became a critical figure in the turnaround team assembled by LA Gear and was responsible for all research and development, design, manufacturing, sourcing, quality control, distribution and logistics.

Upon leaving LA Gear in 1995, Mr. Walsh founded CW Resources, a Los Angeles based firm providing design, development, manufacturing and licensing consulting services to an extensive client base, both domestic and international, within the footwear, apparel, textile, sporting goods and action sports industries. Since January 2005, he has served as an advisor to GTX California spearheading their footwear research and development and marketing practices.

Mr. Walsh received a B.S. in Marketing from Boston College in 1973 and previously served on numerous organizational boards within the footwear and textile industries including The Two Ten International Footwear Foundation and The Footwear Distributors and Retail Association.

Louis Rosenbaum – VP of Operations and Finance, Director

Mr. Rosenbaum served as a member of GTX California’s Board of Directors from September 2002 until June 2005 and then again from October 2007 until March 2008, at which time he became a director of GTX Corp. Subsequently, Mr. Rosenbaum was asked to act as the VP of Operations and Finance since March 1, 2015. Mr. Rosenbaum was a founder and early investor in Global Trek Xploration.

Mr. Rosenbaum has been the President of Advanced Environmental Services since July 1997. His responsibilities at Advanced Environmental Services encompass supervising all administrative and financial activities, including all contractual aspects of the business. Mr. Rosenbaum has been working in the environmental and waste disposal industry for the past eighteen years. He started with Allied Waste Services, a division of Eastern Environmental (purchased by Waste Management Inc. in 1998) in 1990.

Mr. Rosenbaum founded and was President of Elements, a successful clothing manufacturer that produced a line of upscale women’s clothing in Hong Kong, China, Korea and Italy, from 1978 to 1987.

Mr. Rosenbaum has a long history in the consumer products industry, electronics and software sales and development. Mr. Rosenbaum is a co-founder of GTX Corp, was the first large investor and has assisted in the overall vision and development of the Company since inception. Mr. Rosenbaum has served on numerous private and community public boards and this unique blend of experience and history, combined with his strategic and tactical insight, makes Mr. Rosenbaum an asset to the GTX Corp Board.

Andrew Duncan – Head of International Business Development, Director, Member of Audit Committee, Corporate Secretary and Treasurer

Mr. Duncan has been working in the consumer electronics and technology licensing business for over 20 years. Since 2006 he has been the CEO of ClearPlay International, a software licensing company. Prior thereto, he founded Global TechLink Consultants Inc., a technology consultancy company, specializing in technology licensing, multimedia, communication and application technology on a global basis, including Interactive TV, Digital downloads/streaming and Consumer Electronics. From 1994 to 2001, Mr. Duncan worked as Vice President Consumer Electronics for Gemstar TV Guide International (Los Angeles USA).

Mr. Duncan earned his honors degree in Chemistry from Nottingham University and postgraduate qualifications in Marketing and Direct Marketing from London University (Kings College). He also has a Certificate of Business Management from the Anderson School of Business UCLA.

Mr. Duncan's experience in global intellectual property, branding and licensing, uniquely qualifies him to serve on our Board. Mr. Duncan's long involvement in global business development, with an extensive background working in both Europe and Asia as a business strategist for major corporations, directly assists the Board in its international strategic planning objectives and activities.

Director Qualifications and Diversity

Our Board of Directors has not adopted a formal policy with regard to the consideration of diversity when evaluating candidates for election to the Board. However, our Board believes that membership should reflect diversity in its broadest sense, but should not be chosen nor excluded based on race, color, gender, national origin or sexual orientation. In this context, the Board does consider a candidate's experience, education, industry knowledge, history with the Company, and differences of viewpoint when evaluating his or her qualifications for election to the Board. Whenever our Board evaluates a potential candidate, the Board considers that individual in the context of the composition of the Board as a whole.

The standards that our Board considers in selecting candidates (although candidates need not possess all of the following characteristics, and not all factors are weighted equally) include the director's or nominee's, Industry knowledge and contacts in industries served by the Company, independent judgment, ability to broadly represent the interests of all stockholders and other constituencies, maturity and experience in policy making decisions, business skills, background and relevant expertise that are useful to the company and its future needs, and other factors determined to be relevant by the Board.

Family Relationships

There are no family relationships among the Company's directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers.

Code of Business Conduct and Ethics.

We have adopted a Code of Business Conduct and Ethics (the "Code") that applies to our directors, officers and employees, including our principal executive officer and principal financial and accounting officer. A copy of our code of ethics will be furnished without charge to any person upon written request. Requests should be sent to: Secretary, GTX Corp, 117 W. 9th Street, #1214 Los Angeles, California 90015.

Compliance with Section 16(a) of the Exchange Act.

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of a registered class of the company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of reporting forms received by the company, the company believes that no Forms 4's were not filed as required under Section 16(a) of the Securities Exchange Act of 1934.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table. The following table sets forth the compensation for the fiscal years ended December 31, 2017 and 2016 for services rendered to us by all persons who served as our Chief Executive Officer and our Chief Financial Officer and most highly compensated executive officers other than our Chief Executive Officer and Chief Financial Officer (collectively, the "Named Executive Officers") who received compensation in excess of $100,000 in 2017.

Summary Compensation Table

Name and Principal Position	Fiscal Year Ended 12/31	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	**All Other Compensation ($)[3]**	Total ($)
Patrick Bertagna[1]	2017	150,000	-	-	-	15,000	165,000

	2016	150,000	-	4,500	-	15,000	169,500
Alex McKean(2)	2017	96,000	-	-	-	-	96,000
	2016	60,000	-	-	-	-	60,000

(1) Mr. Bertagna, our Chief Executive Officer has agreed to accrue portions of his salary in an effort to preserve cash for other working capital needs of the Company. In 2017, Mr. Bertagna was issued Convertible Notes Payable in the amount of $67,250 as payment for all accrued wages and Board of Director fees thru December 31, 2017. Accordingly, as of December 31, 2017, Mr. Bertagna had no back accrued salary owed. On January 20, 2017, Mr. Bertagna also was granted 250,000 shares of common stock valued at $0.01 per share as compensation for his attendance of Board Meetings.

(2) Mr. McKean, our Chief Financial Officer has agreed to accrue portions of his salary in an effort to preserve cash for other working capital needs of the Company. In 2017, Mr. McKean was issued a Convertible Notes Payable in the amount of $48,000 as payment for all accrued wages thru December 31, 2017. Accordingly, as of December 31, 2017 no back accrued salary amounts were owed to Mr. McKean for his services as our Chief Financial Officer.

(3) The values shown in this column include additional employee benefits paid including travel, health insurance, auto lease payments and cellular phone service.

Outstanding Equity Awards

None.

Long-Term Incentive Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers.

Director Compensation

We have no formal plan for compensating our directors for their service in their capacity as directors although such directors are expected to receive shares of common stock and/or options in the future to purchase common shares as awarded by our Board of Directors or (as to future options) a Compensation Committee which may be established in the future. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board of Directors. Our Board of Directors may award special remuneration to any director undertaking any special services on behalf of our company other than services ordinarily required of a director.

The following table summarizes the compensation of each of our directors who is not also a named executive officer for their service as a director for the year ended December 31, 2017. The compensation of Mr. Bertagna, who serves as a director and as our Chief Executive Officer, is described above in the Summary Compensation Table.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Louis Rosenbaum[(1)]	-	-	1,000	N/A	N/A	10,000	10,000
Andrew Duncan[(2)]	-	-	1,000	N/A	N/A	10,000	10,000
Christopher Walsh[(3)]	-	-	1,000	N/A	N/A	10,000	10,000

(1) Mr. Rosenbaum has provided consulting services to the Company in previous years. During 2017, Mr. Rosenbaum was granted 250,000 shares of common stock valued at $1,000 as payment for his Board attendance. Additionally, Mr. Rosenbaum earned $96,000 in 2017 relating to consulting services, and $10,000 for Board of Director fees, which fees are evidenced by a Convertible Promissory Note.

(2) Mr. Duncan also provides consulting services to the Company. During 2017, Mr. Duncan was granted 250,000 shares of common stock valued at $1,000 as payment for his Board attendance. Additionally, Mr. Duncan earned $96,000 in 2017 for consulting services, and $10,000 for Board of Director fees, which fees are evidenced by a Convertible Promissory Note.

(3) Mr. Walsh, was granted 250,000 shares of common stock valued at $1,000, and a Convertible Note for $10,000 as payment for his time as a director in 2017.

On January 10, 2017, we issued 250,000 shares of common stock to each of our board members (total of 1,250,000 shares, valued at $4,000) as compensation for their attendance at a board.

On December 31, 2017, we issued a $10,000 Convertible Note to each of our directors (valued at $40,000) as compensation for their attendance at a board meeting.

Employment Agreements

The following are summaries of the employment agreements with the Company’s executive officers:

Patrick E. Bertagna, our Chief Executive Officer and President, is employed pursuant to a written agreement dated as of March 14, 2008. The agreement was for a term of two years, but contained a provision under which the agreement is automatically extended for additional one-year periods unless either party provides written notice to the contrary at least 60 days prior to the end of the term then in effect. As such, Mr. Bertagna receives a base salary of $150,000 per year; however, in order to preserve cash for other working capital needs, Mr. Bertagna has agreed to accrue portions of his salary in the past and he is continuing to do so in 2017. He is entitled to adjustments to his base salary based on certain performance standards, at the Company’s discretion, as follows: (i) a bonus in an amount not less than fifteen percent (15%) of yearly salary, to be paid in cash or stock, if the Company has an increase in annual revenues and Mr. Bertagna performs his duties within the time frame budgeted for such duties at or below the cost budgeted for such duties and (ii) a bonus, to be paid in cash or stock at the Company’s sole discretion, equal to $12,500 for every one million of the Company’s outstanding common stock purchase warrants that are exercised.

Mr. Bertagna may also participate in any and all benefits and perquisites as are generally provided for the benefit of executive employees. The agreement terminates on his death, incapacity (after 180 days), resignation or cause as defined in the agreement. If he is terminated without cause, he is entitled to base salary, including back salary owed, all bonuses otherwise applicable, and medical benefits for twelve months.

Alex McKean, was appointed as the Company’s Interim Chief Financial Officer from October 3, 2011 and was appointed full-time in 2015. He is not employed pursuant to a written employment agreement.

2008 Equity Compensation Plan

We have adopted an equity incentive plan, the 2008 Equity Compensation Plan (the “2008 Plan”), pursuant to which we are authorized to grant options, restricted stock, unrestricted stock, and stock appreciation rights to purchase up to 7,000,000 shares of common stock to our employees (as such term is defined in the 2008 Plan), officers, directors and consultants. Awards under the 2008 Plan may consist of stock options (both non-qualified options and options intended to qualify as “Incentive Stock Options” under Section 422 of the Internal Revenue Code of 1986, as amended), restricted and unrestricted stock awards and stock appreciation rights.

The 2008 Plan is administered by our Board of Directors or a committee appointed by the Board (the "Committee"). If appointed by the Board, the committee would consist of at least two members of the Board whose members shall, from time to time, be appointed by the Board. The Committee has the authority to interpret the 2008 Plan, to prescribe, amend, and rescind rules and regulations relating to it, to determine the persons to whom awards will be granted, the type of award to be granted, the number of awards to be granted, and the terms and provisions of stock options granted pursuant to the 2008 Plan, including the vesting thereof, subject to the provisions of the 2008 Plan, and to make all other determinations necessary or advisable for the administration of the 2008 Plan.

The 2008 Plan provides that the purchase price of each share of common stock subject to an incentive stock option may not be less than 100% of the fair market value (as such term is defined in the 2008 Plan) of a share of our common stock on the date of grant (or not less than 110% of the fair market value in the case of a grantee holding more than 10% of our outstanding common stock). The aggregate fair market value (determined at the time the option is granted) of the common stock with respect to which incentive stock options are exercisable for the first time by the employee during any calendar year (under all such plans of the grantee's employer corporation and its parent and subsidiary corporation) shall not exceed $100,000. No incentive stock option shall be exercisable later than the tenth anniversary of its grant; provided, however, that an incentive stock option granted to an employee holding more than 10% of our outstanding common stock shall not be exercisable later than the fifth anniversary of its grant.

The Committee shall determine the purchase price of each share of common stock subject to a non-qualified stock option. Such purchase price, however, shall not be less than 100% of the fair market value of the common stock on the date of grant. No non-qualified stock option shall be exercisable later than the tenth anniversary of its grant.

The plan also permits the grant of stock appreciation rights in connection with the grant of an incentive stock option or a non-qualified stock option, or unexercised portion thereof held by the grantee. The grant price of a stock appreciation right shall be at least at the fair market value of a share on the date of grant of the stock appreciation right, and be subject to such terms and conditions, not inconsistent with the provisions of the 2008 Plan, as shall be determined by the Committee. Each stock appreciation right may include limitations as to the time when such stock appreciation right becomes exercisable and when it ceases to be exercisable, which may be more restrictive than the limitations on the exercise of the stock option to which it relates. No stock appreciation right shall be exercisable with respect to such related stock option or portion thereof unless such stock option or portion shall itself be exercisable at that time. A stock appreciation right shall be exercised only upon surrender of the related stock option or portion thereof in respect of which the stock appreciation right is then being exercised. Upon the exercise of a stock appreciation right, a grantee shall be entitled to receive an amount equal to the product of (i) the amount by which the fair market value of a share of common stock on the date of exercise of the stock appreciation right exceeds the option price per share specified in the related incentive or non-qualified stock option and (ii) the number of shares of common stock in respect of which the stock appreciation right shall have been exercised. Further, a stock appreciation right shall be exercisable during the grantee’s lifetime only by the grantee.

The 2008 Plan also provides us with the ability to grant shares of common stock that are subject to certain transferability, forfeiture or other restrictions. The recipient of restricted stock grants, the type of restriction, the number of shares of restricted stock granted and other such provisions shall be determined by the Committee. The Board, in good faith and in its sole discretion, shall determine the fair market value with regards to awards of restricted stock.

The 2008 Plan also provides us with the ability to grant shares of unrestricted stock. The Committee shall determine and designate from time to time those persons who are to be granted unrestricted stock and number of shares of common stock subject to such grant. The Board, in good faith and in its sole discretion, shall determine the fair market value with regards to awards of unrestricted stock. The grantee shall hold common stock issued pursuant to an unrestricted stock award free and clear of all restrictions, except as otherwise provided in the 2008 Plan.

Unless otherwise determined by the Committee, awards granted under the 2008 Plan are not transferable other than by will or by the laws of descent and distribution.

The 2008 Plan provides that in the event of a merger or change of control, the Committee may substitute stock options, stock awards and stock appreciation rights of the acquired company. Alternatively, the Committee may provide that the stock options, stock awards and stock appreciation rights shall terminate following notice by the Committee.

The Board may, at any time, alter, amend, suspend, discontinue, or terminate the 2008 Plan; provided, however, that such action shall not adversely affect the right of grantees to stock awards or stock options previously granted and no amendment, without the approval of the stockholders of the Corporation, shall increase the maximum number of shares which may be awarded under the 2008 Plan in the aggregate, materially increase the benefits accruing to grantees under the 2008 Plan, change the class of employees eligible to receive options under the 2008 Plan, or materially modify the eligibility requirements for participation in the 2008 Plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information as of March 31, 2018, regarding the beneficial ownership of our common stock by (i) each stockholder known by us to be the beneficial owner of more than five percent of our common stock, (ii) by each of our executive officers named in the Summary Compensation Table and our directors and (iii) by all of our executive officers and directors as a group. Each of the persons named in the table has sole voting and investment power with respect to common stock beneficially owned. Unless otherwise noted in the table, the address for each of the persons identified is 117 W 9th Street; Suite 1214, Los Angeles, CA 90015. Beneficial ownership is calculated based upon 579,742,295 shares of common stock issued and outstanding as of March 31, 2018.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership[(1)]**	Percent of Common Stock	
Patrick E. Bertagna CEO and Chairman of the Board	23,247,045 shares	3.28	%
Alex McKean Chief Financial Officer	4,106,364 shares	0.58	%
Louis Rosenbaum VP of Operations & Finance, Director	10,196,779 shares	1.44	%
Andrew Duncan Director, Corporate Secretary and Treasurer	15,437,943 shares	2.18	%
Christopher Walsh Director	5,311,836 shares	0.75	%
All directors and named executive officers as a group (5 persons)	58,299,967 shares	8.24	%
Other greater than 5% ownership Shareholders	N/A	0	%

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding.

Changes in Control. We are not aware of any arrangements which may result in "changes in control" as that term is defined by the provisions of Item 403 of Regulation S-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Director Independence. One of our five directors is independent within the definition of "independence" as defined in the Nasdaq rules governing members of boards of directors.

Related Party Transactions. During 2017, our officers and directors converted $201,050 of deferred back salary and $40,000 of director fees into long-term debt in the form of a Convertible Promissory Notes. The Convertible Promissory Notes mature on March 31, 2019 and accrue interest at a 10% interest rate. The note holders have the right, but not the obligation to convert up to 50% into common or preferred stock of the Company at a conversion price of $0.01 per share.

Except as described above, there have been no related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Securities and Exchange Commission Regulation S-K.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The Audit Committee has appointed LBB & Associates Ltd., LLP as our independent registered public accounting firm. The following table shows the fees that were paid or accrued by us for audit and other services provided by LBB & Associates Ltd., LLP:

	2017	2016
Audit Fees (1)	$59,500	$43,000
Audit-Related Fees (2)	-	-
Tax Fees (3)	-	-
All Other Fees	-	-
Total	$59,500	$43,000

(1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and the review of our quarterly financial statements and those services normally provided in connection with statutory or regulatory filings or engagements including comfort letters, consents and other services related to SEC matters. This information is presented as of the latest practicable date for this annual report.

(2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported above under "Audit Fees." This category primarily includes services relating to our Registration Statement filed with the Securities Exchange Commission during 2011.

(3) LBB & Associates Ltd., LLP does not provide us with tax compliance, tax advice or tax planning services.

All audit related services, tax services and other services rendered by LBB & Associates Ltd., LLP were pre-approved by our Board of Directors or Audit Committee. The Audit Committee has adopted a pre-approval policy that provides for the pre-approval of all services performed for us by LBB & Associates Ltd., LLP. The policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. Pursuant to this policy, the Board delegated such authority to the Chairman of the Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

EXHIBIT INDEX

The Company's financial statements and related notes thereto are listed and included in this Annual Report beginning on page F-1. The following exhibits are filed with, or are incorporated by reference into, this Annual Report.

Exhibit Number	Description
3.1	Articles of Incorporation of the Registrant filed with the State of Nevada on April 7, 2006(2)
3.2	Amended and Restated Bylaws of the Registrant(3)
4.1	2008 Equity Compensation Plan(8)
10.1	Employment Agreement between the Registrant and Patrick E. Bertagna dated March 14, 2008(3)
10.2	Form of Securities Purchase Agreement (August 2011 Private Placement)(9)
10.3	Form of Warrant Agreement (August 2011 Private Placement)(9)
10.4	Form of Subscription Application (August 2011 Private Placement)(9)
10.5	Form of Note and Share Purchase Agreement (Q4 2014 and Q1 2015)(5)
10.6	Form of Convertible Promissory Note (Q4 2014 and Q1 2015)(5)
10.7	Form of Note and Share Purchase Agreement (November 2016)(10)
10.8	Form of Warrant Agreement (Q1 2015)(5) Form of Note and Share Purchase Agreement (Q4 2014 and Q1 2015)(5)
10.9	Code of Business Conduct and Ethics(3)Form of Convertible Promissory Note (Q4 2014 and Q1 2015)(11)
10.10	Subsidiaries(5) Form of Warrant Agreement (Q1 2015)(5)
10.11	Form of Note and Warrant Purchase Agreement (Q2 2016)(6)
10.12	Form of Promissory Note (Q2 2016)(6)
10.13	Definitive Agreement, dated June 16, 2016, between the Company and between Inventergy Innovations, LLC(7)*

10.14	Form of Promissory Note Issued to Officers(11)
10.15	Form of Military Purchase Order with Edwards Airforce Base(12)
23.1	Report of Independent Registered Public Accounting Firm(1)
23.2	Code of Business Conduct and Ethics(3)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act(1)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act(1)
32.1	Certification Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002(1)
101.INS	XBRL Taxonomy Extension CalculationXBRL Instance Document
101.SCH	XBRL Taxonomy Extension DefinitionXBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension LabelsXBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension PresentationXBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

(1) Filed herewith.
(2) Incorporated by reference to the Registrant's Registration Statement on Form SB-2 as filed December 12, 2006.
(3) Incorporated by reference to the Registrant's Current Report on Form 8-K dated March 20, 2008.
(4) Incorporated by reference to the Registrant's Annual Report on Form 10-K dated March 20, 2009.
(5) Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2014.
(6) Incorporated by reference to the Registrant's Current Report on Form 10-Q dated June 30, 2016.
(7) Incorporated by reference to the Registrant's Current Report on Form 10-Q dated September 30, 2016.
(8) Previously filed on May 22, 2008 as an exhibit to our Registration Statement on Form S-8, File No. 333-151114 and incorporated herein by reference.
(9) Previously filed on October 3, 2011 as part of the Registrant's Registration Statement on Form S-1 (File No. 333-177146) and incorporated herein by reference.
(10) Incorporated by reference to the Registrant's Current Report on Form 8-K dated November 21, 2016.
(11) Incorporated by reference to the Registrant's Current Report on Form 10-Q dated March 31, 2017.
(12) Incorporated by reference to the Registrant's Current Report on Form 10-Q dated September 30, 2017
* Certain portions of the Exhibit have been omitted based upon a pending request for confidential treatment filed by us with the SEC. The omitted portions of the Exhibit have been separately filed by us with the SEC

ITEM 16. FORM 10-K SUMMARY

Not applicable.

Signatures

In accordance with Section 13 or 15(d) of the Exchange Act, the company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	GTX Corp **(Registrant)**
Date: March 30, 2018	By: */s/ Patrick E. Bertagna* Patrick E Bertagna Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	**Title**	**Date**
/s/ Patrick E. Bertagna	Chief Executive Officer and Director (Principal Executive Officer)	March 30, 2018
/s/ Alex McKean	Chief Financial Officer (Principal Financial Officer)	March 30, 2018
/s/ Christopher Walsh	Director	March 30, 2018
/s/ Louis Rosenbaum	Director, VP of Operations and Finance (Principal Accounting Officer)	March 30, 2018
/s/ Andrew Duncan	Director, Treasurer, Secretary	March 30, 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

GTX Corp

Los Angeles, CA

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of GTX Corp (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2017, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the Company's recurring losses from operations and its likely need for additional financing in order to meet its financial obligations raise substantial doubt about its ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ LBB & Associates Ltd., LLP

LBB & Associates Ltd., LLP

We have served as the Company's auditor since 2009.

Houston, Texas

March 30, 2018

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GTX CORP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$1,454	$95,431
Accounts receivable, net	93,130	56,714
Inventory	57,835	110,948
Other current assets	60,153	20,607
Total current assets	212,572	283,700
Property and equipment, net	116,234	135,301
Investment in equity securities	3,230	31,875
Intangible assets	17,520	18,465
Total assets	$349,556	$469,341
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$297,779	$305,761
Accrued expenses	243,675	197,024
Accrued expenses - related parties	45,668	23,992
Deferred revenues	57,934	44,908
Convertible promissory note, net of discount	981,758	867,812
Derivative liabilities	261,172	78,112
Total current liabilities	1,887,986	1,517,609
Long-term convertible debt	-	-
Long-term convertible note – related parties	670,047	428,997
Total liabilities	2,558,033	1,946,606
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, $0.001 par value; 2,071,000,000 shares authorized; 704,248,645 and 510,367,631 shares issued and outstanding at December 31, 2017 and 2016, respectively	704,248	510,367

Additional paid-in capital	18,152,287	17,782,391
Accumulated other comprehensive loss	(59,249)	(30,604)
Accumulated deficit	(21,005,763)	(19,739,419)
Total stockholders’ deficit	(2,208,477)	(1,477,265)
Total liabilities and stockholders’ deficit	$349,556	$469,341

See accompanying notes to consolidated financial statements.

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GTX CORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended December 31, 2017	2016
Revenues	$421,735	$432,744
Consulting income	116,653	270,826
Total revenues	538,388	703,570
Cost of goods sold	209,773	346,407
Gross margin	328,615	357,163
Operating expenses		
Wages and benefits	642,199	567,693
Professional fees	285,295	440,438
Sales and marketing expenses	44,446	-
Research and development expenses	49,126	3,619
General and administrative	338,950	268,156
Total operating expenses	1,360,016	1,279,906
Loss from operations	(1,031,401)	(922,743)
Other income (expenses)		
Gain (loss) on extinguishment of debt	-	(41,763)
Derivative income	309,142	703,518
Amortization of debt discount	(423,682)	(885,597)
Interest expense	(75,128)	(67,200)
Other expenses	(45,275)	(6,571)
Total other income (expenses)	(234,943)	(297,613)
Net loss	(1,266,344)	(1,220,356)
Components of comprehensive loss:		
Unrealized loss on available for sale investment	(59,249)	(30,604)
Comprehensive net loss	$(1,325,593)	$(1,250,960)
Weighted average number of common shares outstanding - basic and diluted	614,124,141	414,360,883
Net loss per common share - basic and diluted	$(0.00)	$(0.00)

See accompanying notes to consolidated financial statements.

GTX CORP

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Total
Balance, December 31, 2015	-	$ -	355,431,281	355,431	16,982,932	-	(18,519,063)	(1,180,700)
Issuance of common stock for services	-	-	34,050,000	34,050	262,500	-	-	296,550
Issuance of common stock for accrued expenses	-	-	10,421,592	10,421	93,873	-	-	104,294
Issuance of common stock for conversion of debt	-	-	108,464,758	108,465	314,414	-	-	422,879
Issuance of common stock for financing	-	-	2,000,000	2,000	14,000	-	-	16,000
Issuance of warrants	-	-	-	-	114,672	-	-	114,672
Unrealized loss on available for sale investment	-	-	-	-	-	(30,604)	-	(30,604)
Net loss	-	-	-	-	-	-	(1,220,356)	(1,220,356)
Balance, December 31, 2016	-	-	510,367,631	$510,367	$17,782,391	$ (30,604)	$(19,739,419)	$(1,477,265)
Issuance of common stock for services	-	-	16,250,000	16,250	78,000	-	-	94,250
Issuance of common stock for accrued expenses	-	-	-	-	-	-	-	-
Issuance of common stock for conversion of debt	-	-	174,631,014	174,631	217,989	-	-	392,620
Issuance of common stock for financing	-	-	3,000,000	3,000	17,325	-	-	20,325
Issuance of warrants and	-	-	-	-	56,582	-	-	56,582

bargain conversion feature								
Unrealized loss on available for sale investment	-	-	-	-	-	(28,645)	-	(28,645)
Net loss	-	-	-	-	-	-	(1,266,344)	(1,266,344)
Balance, December 31, 2017	-	$ -	704,248,645	$704,248	$18,152,287	$ (59,249)	$(21,005,763)	$(2,208,477)

See accompanying notes to consolidated financial statements.

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GTX CORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2017	2016
Cash flows from operating activities		
Net loss	$(1,266,344)	$(1,220,356)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	62,446	40,935
Bad debt expense	5,159	22,985
Stock-based compensation	133,656	331,385
(Gain) loss on extinguishment of debt	-	41,763
Derivative income	(309,142)	(703,518)
Amortization of debt discount	423,682	885,597
Interest added to debt	-	27,119
Fair value of common stock received as income	-	(20,826)
Changes in operating assets and liabilities:		
Accounts receivable	(41,574)	(38,716)
Inventory	53,114	(53,305)
Other current and non-current assets	(74,203)	7,817
Accounts payable and accrued expenses	100,566	60,185
Accrued expenses - related parties	267,415	252,902
Deferred revenues	13,026	480
Net cash used in operating activities	(632,199)	(365,553)
Cash flows from investing activities		
Purchase of intangible assets	-	(3,465)
Purchase of property and equipment	(7,778)	(17,419)
Net cash used in investing activities	(7,778)	(20,884)
Cash flows from financing activities		
Proceeds from convertible debt	556,000	497,000
Payments on convertible debt	(10,000)	(23,000)
Net cash provided by financing activities	546,000	474,000
Net change in cash and cash equivalents	(93,977)	87,563
Cash and cash equivalents, beginning of period	95,431	7,868
Cash and cash equivalents, end of period	$1,454	$95,431

Supplemental disclosure of cash flow information:

Income taxes paid	$-	$-
Interest paid	$-	$3,529
Supplemental disclosure of noncash investing and financing activities:		
Unrealized loss on available for sale investments	$28,645	$30,604
Issuance of common stock for conversion of debt	$430,120	$422,879
Issuance of common stock for accrued expenses	$7,875	$87,000
Debt discount on convertible notes and warrants	$459,611	$185,337
Accrued salaries converted into convertible promissory notes	$241,050	$428,997

See accompanying notes to consolidated financial statements.

GTX CORP AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. ORGANIZATION AND BASIS OF PRESENTATION

During the periods covered by these financial statements, GTX Corp and subsidiaries (the “Company” or “GTX”) were engaged in businesses that design, develop and sell various interrelated and complementary products and services in the Personal Location Services marketplace. GTX owns 100% of the issued and outstanding capital stock of Global Trek Xploration, Inc. and LOCiMOBILE, Inc.

Global Trek Xploration, Inc. focuses on hardware, software, connectivity, design and development of Global Positioning System (“GPS”) and Bluetooth Low Energy (“BLE”) monitoring and tracking solutions by providing real-time tracking of the whereabouts of people and high valued assets. Utilizing a miniature quad band GPRS transceiver, antenna, circuitry, battery and inductive charging pad our product(s) can be customized and integrated into numerous products whose location and movement can be monitored in real time over the Internet through our 24x7 tracking portal or on a web enabled cellular telephone. Our core products and services are supported by an IP portfolio of patents, patents pending, registered trademarks, copyrights, URLs and a library of software source code. LOCiMOBILE, Inc., has been at the forefront of Smartphone application (“App”) development since 2008. With a suite of mobile applications that turn the iPhone, iPad, Android and other GPS enabled handsets into a tracking device which can be tracked from handset to handset or through our tracking portal or on any connected device with internet access. LOCiMOBILE has launched numerous Apps across multi mobile device operating systems and continues to launch consumer and enterprise apps.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The accompanying consolidated financial statements reflect the accounts of GTX Corp and its wholly owned subsidiaries. All significant inter-company balances and transactions have been eliminated.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred net losses of $1,266,344 and $1,220,356 for the years ended December 31, 2017 and 2016, respectively, has incurred losses since inception resulting in an accumulated deficit of $21,005,763 as of December 31, 2017, and has negative working capital of $1,675,414 as of December 31, 2017. A significant part of our negative working capital position at December 31, 2017 consisted of $981,758 of amounts due to various accredited investors of the Company for convertible promissory notes. The Company anticipates further losses in the development of its business.

The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company’s ability to raise additional capital through the future issuances of debt or equity is unknown. The ability to obtain additional financing, the successful development of the Company’s contemplated plan of operations, or its ability to achieve profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenues consist primarily of the sale of our GPS tracking devices and the related monthly service fees, the sale of our GPS SmartSole via various pilot programs, the monthly service fee from subscribers of the GPS Shoe, and our mobile tracking applications sold via the Apple iTunes Store and the Google Marketplace.

The Company recognizes revenue from product sales when the product is shipped to the customer and title has transferred. The Company recognizes application revenue when the application is purchased by the customer. The Company assumes no remaining significant obligations associated with the product sale other than that related to its warranty program discussed below. Revenue related to monthly service fees both for the GPS SmartSole, GPS Shoes and GPS tracking devices, licensing agreements and annual subscriptions are recognized over the respective terms of the agreements.

Revenue from multiple-element arrangements is allocated to the elements based on the relative fair value of each element, which is generally based on the relative sales price of each element when sold separately. Each element's allocated revenue is recognized when the revenue recognition criteria for that element have been met. If the Company cannot objectively determine the fair value of any undelivered element included in a multiple-element arrangement, the Company defers revenue until all elements are delivered and services have been performed, or until fair value can objectively be determined for any remaining undelivered elements.

Allowance for Doubtful Accounts

We extend credit based on our evaluation of the customer's financial condition. We carry our accounts receivable at net realizable value. We monitor our exposure to losses on receivables and maintain allowances for potential losses or adjustments. We determine these allowances by (1) evaluating the aging of our receivables; and (2) reviewing high-risk customers financial condition. Past due receivable balances are written off when our internal collection efforts have been unsuccessful in collecting the amount due. Our allowance for doubtful accounts was $22,312 as of December 31, 2017 and $10,507 as of December 31, 2016.

Shipping and Handling Costs

Shipping and handling costs are included in cost of goods sold in the accompanying consolidated statements of operations.

Product Warranty

The Company’s warranty policy provides repair or replacement of products (excluding GPS Shoe devices) returned for defects within ninety days of purchase. Warranty liabilities are recorded at the time of sale for the estimated costs that may be incurred under our standard warranty. As of December 31, 2017, products returned for repair or replacement have been immaterial. Accordingly, a warranty liability has not been deemed necessary.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Estimates

Pursuant to the Accounting Standards Codification (“ASC”) No. 820, “*Disclosures About Fair Value of Financial Instruments*”, the Company records its financial assets and liabilities at fair value. ASC No. 820 provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. ASC No. 820 establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 -	Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset/liability's anticipated life.
Level 3 -	Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The carrying values for cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued liabilities approximate their fair value due to their short maturities.

Reclassifications

For comparability, certain prior period amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2017.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with insignificant rate risk and with original maturities of three months or less at the date of purchase.

Inventory

Inventory generally consists of raw materials and finished goods and is valued at the lower of cost (first-in, first-out) or net realizable value. The Company evaluates its inventory for excess and obsolescence on a regular basis. In preparing the evaluation the Company looks at the expected demand for the product, as well as changes in technology, in order to determine whether or not a reserve is necessary to record the inventory at net realizable value. For the years ending December 31, 2017 and 2016 the Company did not recognize any charges to expense associated with excess and obsolete inventory cost adjustments.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated two year useful lives of the assets. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Expenditures for maintenance and repairs are expensed as incurred.

Website Development

Under ASC 350-50 – *Intangibles – Goodwill and Other – Website Development Costs*, costs and expenses incurred during the planning and operating stages of the Company’s website development are expensed as incurred. The Company accounts for the development of its website by expensing all costs associated with the planning of the website as incurred and capitalizing the costs to develop the website. Depreciation is calculated using the straight-line method over the estimated two year useful lives of the assets.

Software Development Costs

Software development costs include payments made to independent software developers under development arrangements primarily for the development of our smart-phone mobile applications (“Apps”). Software development costs are capitalized once technological feasibility of a product is established and it is determined that such costs should be recoverable against future revenues. For products where proven technology exists, this may occur early in the development cycle. Technological feasibility is evaluated on a product-by-product basis. Amounts related to software development that are not capitalized are charged immediately to product research and development costs.

Commencing upon the related product’s release, capitalized software development costs are amortized to cost of sales based upon the higher of (i) the ratio of current revenue to total projected revenue or (ii) the straight-line method. The recoverability of capitalized software development costs is evaluated based on the expected performance of the specific products for which the costs relate. The following criteria are used to evaluate expected product performance: historical performance of comparable products using comparable technology and orders for the product prior to its release.

Significant management judgments and estimates are utilized in the assessment of when technological feasibility is established, as well as in the ongoing assessment of the recoverability of capitalized costs. If revised forecasted or actual product sales are less than and/or revised forecasted or actual costs are greater than the original forecasted amount utilized in the initial recoverability analysis, the net realizable value may be lower than originally estimated in any given quarter, which could result in an impairment charge.

Intangible Assets

The Company records identifiable intangible assets acquired from other enterprises or individuals at cost. Intangible assets consist of a licensing agreement enabling the Company to sell its GPS-related vehicle tracking software and services.

Marketable Securities

During the second quarter of fiscal 2016, we received marketable equity securities, which we have classified as “available for sale” securities. Our marketable securities are marked to market on a quarterly basis, with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Following are the disclosures related to our financial assets pursuant to ASC No. 820:

	December 31, 2017	
	Fair Value	Input Level
Available for sale marketable securities:		
Common stock	$3,230	Level 1

The fair value of our available for sale securities is determined based on quoted market prices for identical securities on a quarterly basis.

Derivative Instruments

Our debt or equity instruments may contain embedded derivative instruments, such as conversion options, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

Our derivative instrument liabilities are re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income, in the period in which the changes occur. For bifurcated conversion options that are accounted for as derivative instrument liabilities, we determine the fair value of these instruments using the Black-Scholes option pricing model. This model requires assumptions related to the remaining term of the instrument and risk-free rates of return, our current Common Stock price and expected dividend yield, and the expected volatility of our Common Stock price over the life of the option.

Net Loss Per Common Share

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period. There were no dilutive shares outstanding as of December 31, 2017 and 2016. Common stock equivalents, totaling 386,364,706 and 117,371,085 at December 31, 2017 and 2016, respectively, were not included in the computation of diluted earnings per share in 2017 and 2016 on the consolidated statements of operations due to the fact that the Company reported a net loss in 2017 and 2016 and to do so would be anti-dilutive for that period.

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized by applying the statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Stock-based Compensation

Stock-based compensation expense is recorded for stock and stock options awarded in return for services rendered. The expense is measured at the grant-date fair value of the award and recognized as compensation expense on a straight-line basis, which is generally commensurate with the vesting period. The Company estimates forfeitures that it expects will occur and records expense based upon the number of awards expected to vest.

Comprehensive Loss

FASB ASC 220 establishes rules for reporting and displaying comprehensive loss and its components. Comprehensive loss is the sum of net loss as reported in the consolidated statements of operations and comprehensive loss transactions as reported in the consolidated statement of stockholders' deficit. Comprehensive loss transactions that currently apply to the Company result from unrealized losses on available for sale investments.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU No. 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU No. 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU No. 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). In July 2015, the FASB issued ASU No. 2015-14 which delayed the effective date of ASU No. 2014-09 by one year (effective for annual periods beginning after December 15, 2017). The Company adopted ASU 2014-09 in the first quarter of fiscal 2018 using the modified retrospective method. The adoption of this standard did not have a material impact on our revenue recognition policies, other than enhanced disclosures related to the disaggregation of revenues from contracts with customers, our performance obligations and any significant judgments.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* The new standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosure. The new standard is effective for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. Adoption of this standard did not have a material impact on our financial statements.

There were other updates recently issued, most of which represented technical clarifications and corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

3. JOINT VENTURE AND INVESTMENT IN EQUITY SECURITIES

On June 16, 2016, the Company entered into a Definitive Agreement with Inventergy Innovations, LLC ("Inventergy"), a subsidiary of Inventergy Global, Inc. (NASDAQ: INVT). The Company partnered with Inventergy to monetize three (3) GTX Patents. Upon signing the Agreement, the Patents were assigned to an Inventergy subsidiary, and Inventergy assigned a 45% interest in the entity to GTX. Inventergy is also obligated to make a sequence of quarterly payments to GTX in 2017, which payments represent non-refundable advances against future royalty and other payments. The Company recognized $75,000 of royalty payments in 2017. Pursuant to a non-exclusive license back to GTX, GTX will still retain all use rights of the 3 patents.

In addition to the Definitive Agreement, the Company entered into a Consulting Agreement with Inventergy for a period of eighteen months. The Company was issued 42,500 shares of restricted common stock of INVT valued at $62,479 on the date of grant, of which 1/6th of the stock vests at the close of each calendar quarter and Inventergy agreed to make five monthly payments to GTX totaling $250,000 through December 2016 as compensation. As of December 31, 2017, we owned 42,500 shares of restricted common stock of INVT at a closing price of $0.076, for a value of $3,230.

The Company uses the equity method to account for its 45% investment in the Inventergy subsidiary. Under the equity method, the Company recognizes its share of the earnings and losses of the subsidiary as they accrue instead of when they are realized. As of December 31, 2017, the Company's investment in the subsidiary was $0.

4. RELATED PARTY TRANSACTIONS

In order to preserve cash for other working capital needs, various officers, members of management and Board Members agreed to accrue portions of their wages since 2011. As of December 31, 2017, and 2016, the Company owed $0 and $0, respectively, for such accrued wages.

On December 31, 2017, management elected to transfer accrued salaries into long-term convertible promissory notes, due on March 31, 2019, totaling $201,050. The notes will bear a 10% annual interest rate. Management shall have the right, but not the obligation to convert up to 50% of the amount advanced and accrued interest into shares, warrants or options of common or preferred stock of the Company at $0.01 per share.

5. INVENTORY

Inventories consist of the following:

	December 31, 2017	December 31, 2016
Raw materials	$33,928	$31,041
Finished goods	23,907	79,907
Total Inventories	$57,835	$110,948

6. PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following:

	December 31, 2017	**December 31, 2016**
Software	$25,890	$19,900
Website development	91,622	91,622
Software development	282,251	246,122
Less: accumulated depreciation	(283,529)	(222,343)
Total property and equipment, net	$116,234	$135,301

Depreciation expense for the years ended December 31, 2017 and 2016 was $62,446 and $40,935, respectively, and is included in general and administrative expenses.

7. CONCENTRATIONS

We currently rely on one manufacturer to supply us with our GPS SmartSole and one manufacturer to supply us with the GPS device included in the GPS SmartSole. The loss of either of these manufacturers could severely impede our ability to manufacture the GPS SmartSole.

During the year ended December 31, 2017, the Company's customer base and revenue streams were comprised of approximately 53% B2B (Wholesale Distributors and Enterprise Institutions), 24% B2C (consumers and government agencies who bought on the behalf of consumers, through our online ecommerce platform and through Amazon, Google and iTunes), 13% IP (our monetization campaign from consulting, licensing and asserting our patents) and 10% Military and Law Enforcement. As of December 31, 2017, the Company had three customers representing approximately 33%, 29%, and 16% of sales and three customers representing approximately 8%, 23%, and 11% of total accounts receivable, respectively. The Company had two customers representing approximately 23% and 42%, respectively, of sales and one customer representing approximately 32% of total accounts receivable for the year ended December 31, 2016.

During the year ended December 31, 2016, the Company's customer base was comprised of approximately 42% Wholesale Distributors and Enterprise Institutions and 21% Consumer, 1% Military and Law Enforcement, 36% IP (our monetization campaign from consulting, licensing and asserting).

8. DEBT

The following table summarizes the components of our short-term borrowings:

	December 31, 2017	December 31, 2016
Q4 2014 Convertible Notes	$126,000	$126,000
Q1 2015 Convertible Notes	60,000	60,000
Q2 2015 Convertible Notes	200,000	200,000
Q3 2015 Convertible Notes	45,000	45,000
Q4 2015 Convertible Notes	-	-
Q1 2016 Convertible Notes	60,000	60,000
Q2 2016 Convertible Notes	-	225,431
Q3 2016 Convertible Notes	507,671	507,671
Q4 2016 Convertible Notes	110,326	162,826
Q1 2017 Convertible Notes	15,000	-
Q2 2017 Convertible Notes	187,500	-
Q3 2017 Convertible Notes	112,000	-
Q4 2017 Convertible Notes	370,425	-
Total short-term convertible notes	1,793,922	1,386,928
Less: Debt discount	(142,117)	(90,119)
Convertible notes, net of debt discount	$1,651,805	$1,296,809
Short-term borrowings	$981,758	$867,812

Long-term borrowings	$670,047	$428,997
Short-term derivative liabilities	$261,172	$78,112

Short-term convertible notes

Convertible Notes

On January 4, 2017, we issued a total of 10,000,000 shares of common stock to an investor for converting $24,500 in debt from a Convertible Note that was issued in the second quarter of 2016.

On January 13, 2017, we issued a total of 11,970,339 shares of common stock to an investor for converting $29,327 in debt from a Convertible Note that was issued in the second quarter of 2016.

On January 31, 2017, we received the second tranche of $97,500 (“Q1 2017”) from 2 investors from their November 21, 2016 Security Purchase Agreements. The investors may convert their notes into common shares in the Company at a price equal to the lower of 51% of the lowest trading price in the prior 20 days, or at $0.005 per share. The notes do not bear interest. The Company may prepay the notes at any time with a premium of 10% of the amount to be paid off, in the first 90 days, and 20% any time thereafter. The notes matured on July 31, 2017 and are in default. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933. On August 1, 2017, an investor converted $15,000 in debt into 9,803,922 shares of common stock.

On February 9, 2017, we paid down a Q2 2016 Convertible Note for $10,000.

On February 17, 2017, we issued 16,339,869 shares of common stock to an investor for converting $25,000 in debt from a Convertible Note that was issued in the fourth quarter of 2016.

On February 22, 2017, we issued 16,442,455 shares of common stock to an investor for converting $24,170 in debt from a Convertible Note that was issued in the second quarter of 2016.

On March 3, 2017, we issued 5,820,000 shares of common stock to an investor for converting $25,000 in principal and $4,100 in accrued interest from a Convertible Note that was issued in the second quarter of 2016.

On March 24, 2017, we issued 3,267,974 shares of common stock to an investor for converting $10,000 in debt from a Convertible Note that was issued in the fourth quarter of 2016.

On April 6, 2017, the Company entered into two Note and Share Purchase Agreements with two accredited investors. As a result, we issued two convertible notes with a total principal balance of $75,000. The Purchasers may convert their notes into common shares in the Company at a price equal to the lower of 60% of the average of the lowest volume-weighted average price in the prior 30 days, or at $0.005 per share. The notes do not bear interest. The Company may prepay the notes at any time with a premium of 10% of the amount to be paid off, in the first 90 days, and 20% any time thereafter. The notes matured on October 6, 2017. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On April 25, 2017, we issued 13,950,618 in common stock to an investor for converting $110,000 in principal and $3,000 in interest of their debt from a Convertible Note that was issued in the second quarter of 2016.

On May 16, 2017, the Company entered into two Note and Share Purchase Agreements with two accredited investors. As a result, we issued two convertible notes with a total principal balance of $75,000. The Purchasers may convert their notes into common shares in the Company at a price equal to 60% of the average of the lowest volume-weighted average price in the prior 30 days. The notes do not bear interest. The Company may prepay the notes at any time with a premium of 10% of the amount to be paid off, in the first 90 days, and 20% any time thereafter. The notes mature on November 16, 2017. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On June 1, 2017, we issued 7,300,793 shares of common stock to an investor for converting $17,500 in debt from a Convertible Note that was issued in the fourth quarter of 2016.

On June 20, 2017, the Company entered into two Note and Share Purchase Agreements with two accredited investors. As a result, we issued two convertible notes with a total principal balance of $75,000. The Purchasers may convert their notes into common shares in the Company at a price equal to 60% of the average of the lowest volume-weighted average price in the prior 30 days. The notes do not bear interest. The Company may prepay the notes at any time with a premium of 10% of the amount to be paid off, in the first 90 days, and 20% any time thereafter. The notes mature on December 20, 2017. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On July 31, 2017, the Company entered into Securities Purchase Agreements to fund inventory and R&D with two accredited investors. As a result, the investors will purchase, severally and not jointly, an aggregate of up to $224,000 in Subscription Amount corresponding to an aggregate of up to $224,000 in Principal Amount of Notes. The purchase will occur in four tranches (each a “Tranche,” and collectively the “Tranches”), with the first Tranche of $56,000 being funded to the Company upon execution of this Agreement (the “First Closing”). The second Tranche will be for $56,000 and will be funded to the Company 30 calendar days after the First Closing. The third Tranche will be for $56,000 and will be funded to the Company 60 calendar days after the First Closing. The fourth Tranche will be for $56,000 and will be funded to the Company 90 calendar days after the First Closing.

On August 1, 2017 and on August 2, 2017, the Company received its first tranche of $28,000 from each of the accredited investors. As a result, we issued two convertible notes with a total principal balance of $28,000 each. The Purchasers may convert their notes into common shares in the Company at a price equal to 60% of the lowest trading price in the prior 30 days. The notes do not bear interest. The Company may prepay the notes at any time with a premium of 10% of the amount to be paid off, in the first 90 days, and 20% any time thereafter. The notes mature 180 days from issuance, or on February 1st and 2nd of 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On August 1, 2017, we issued 9,803,922 shares of common stock to an investor for converting $15,000 in debt that was issued in the first quarter of 2017.

On August 15, 2017, we issued 9,803,922 shares of common stock to an investor for converting $15,000 in debt from a Convertible Note that was issued in the first quarter of 2017.

On September 9, 2017, we issued 16,418,050 shares of common stock to an investor for converting $17,500 in debt from a Convertible Note that was issued in the first quarter of 2017.

On September 13, 2017, we issued 32,679,739 shares of common stock to an investor for converting $35,000 in debt from a Convertible Note that was issued in the first quarter of 2017. On October 10, 2017 and on October 17, 2017, the Company received its second tranche of $28,000 from each of the accredited investors, respectively, as related to the July 31, 2017 Securities Purchase Agreement. As a result, we issued two convertible notes with a total principal balance of $28,000 each under the same terms as described above.

On November 15, 2017, we issued a $7,785 convertible note as part of a one-year advisory agreement. The note is due November 15, 2018 and can be paid in either cash or common stock.

On November 16, 2017, we issued 20,833,33 shares of common stock to an investor for converting $37,500 in debt from a Convertible Note that was issued in the second quarter of 2017.

On December 15, 2017, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $37,500. The Purchaser may convert their notes after six months into common shares in the Company at a price equal to $0.002 The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on June 15, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

Derivative liabilities

The conversion features embedded in the convertible notes were evaluated to determine if such conversion feature should be bifurcated from its host instrument and accounted for as a freestanding derivative. In the convertible notes with variable conversion terms, the conversion feature was accounted for as a derivative liability. The derivatives associated with the term convertible notes were recognized as a discount to the debt instrument and the discount is amortized over the expected life of the notes with any excess of the derivative value over the note payable value recognized as additional interest expense at the issuance date. Amortization of the debt discount totaled $423,682 and $885,597 during the years ended December 31, 2017 and 2016, respectively.

The derivative liability was calculated using the Black Scholes method over the expected terms of the convertible debentures, with a risk free rate of 2% and volatility of 165.68% as of December 31, 2017. Included in Derivative Income in the accompanying consolidated statements of operations is income arising from the change in fair value of the derivatives of $309,142 and $703,518 during the years ended December 31, 2017 and 2016, respectively.

9. INCOME TAXES

The provision for refundable Federal income tax consists of the following as of December 31:

	2017	2016
Federal income tax benefit calculated at statutory rate of 34%	$431,000	$425,000
Less: Stock based compensation expense	(37,000)	(116,000)
Effect of rate change from 34% to 21%	(1,895,000)	-
Change in valuation allowance	1,501,000	(309,000)
Net income tax provision	$-	$-

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows at December 31:

	2017	2016
Deferred tax asset attributable to:		
Net operating losses carried forward	$3,061,000	$4,562,000
Less: Valuation allowance	(3,061,000)	(4,562,000)
Net deferred tax asset	$-	$-

The Company established a full valuation allowance. The Company continually reviews the adequacy of the valuation allowance and recognizes a benefit from income taxes only when reassessment indicates that it is more likely than not that the benefits will be realized.

At December 31, 2017, the Company had an unused net operating loss carryover approximating $14,589,000 that is available to offset future taxable income, which expires beginning in 2028.

10. EQUITY

Common Stock

The Company issued the following shares of common stock for the years ended December 31:

	2017 Value of Shares	# of shares	2016 Value of Shares	# of shares
Shares issued for services rendered	$94,250	16,250,000	$296,550	34,050,000
Shares issued for accrued salaries and expenses	-	-	104,294	10,421,592
Shares issued for conversion of debt	392,620	174,631,014	422,879	108,464,758
Shares issued for financing	20,325	3,000,000	16,000	2,000,000
Total restricted shares issued	$507,195	193,881,014	$839,723	154,936,350

Shares issued for services rendered were to various members of management, employees and consultants and are generally expensed as Stock-Based Compensation in the accompanying consolidated statement of operations. Also included are shares of common stock issued to our 2017 investors in conjunction with their note and share purchase agreements. Shares issued for accrued salaries and expenses were granted to members of management, Board Members, consultants and employees as payment for portions of amounts owed to them for services rendered in previous periods. Shares issued for conversion of debt relate to conversions of both short and long term debt as discussed in Note 8. Shares issued for financing in 2017 relate to shares granted to investors for their participation in the 2017 financings.

Common Stock Warrants

Since inception, the Company has issued numerous warrants to purchase shares of the Company’s common stock to shareholders, consultants and employees as compensation for services rendered.

A summary of the Company’s warrant activity and related information is provided below:

	Exercise Price $	Number of Warrants
Outstanding and exercisable at December 31, 2015	0.15 - 0.02	11,150,000
Warrants exercised	-	-
Warrants granted	0.0125 - 0.03	18,750,000
Warrants expired	-	-
Outstanding and exercisable at December 31, 2016	0.0125 - 0.03	29,900,000
Warrants exercised	-	-
Warrants granted	0.15 - 0.02	10,000,000

Warrants expired	-	-
Outstanding and exercisable at December 31, 2017	0.0125 - 0.03	39,900,000

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Stock Warrants as of December 31, 2017

Exercise Price	Warrants Outstanding	Remaining Life (Years)	Warrants Exercisable
$0.02	14,900,000	0.97	14,900,000
$0.015	21,350,000	1.14	21,350,000
$0.0125	500,000	1.30	500,000
$0.03	3,150,000	1.51	3,150,000

Common Stock Options

Under the Company's 2008 Plan, we are authorized to grant stock options intended to qualify as Incentive Stock Options, "ISO", under Section 422 of the Internal Revenue Code of 1986, as amended, non-qualified options, restricted and unrestricted stock awards and stock appreciation rights to purchase up to 7,000,000 shares of common stock to our employees, officers, directors and consultants, with the exception that ISOs may only be granted to employees of the Company and its subsidiaries, as defined in the 2008 Plan.

The Company recognizes option expense ratably over the vesting periods. As of December 31, 2012, all options granted were fully vested. Accordingly, no option expense has been recognized during the years ended December 31, 2017 and 2016.

No options were granted during 2017 and 2016.

The Plan provides for the issuance of a maximum of 7,000,000 shares of which, after adjusting for estimated pre-vesting forfeitures and expired options, approximately 2,235,000 were available for issuance as of December 31, 2017.

As of December 31, 2017, after adjusting for estimated pre-vested forfeitures, there was $0 of unrecognized compensation cost related to unvested stock options. The Company intends to issue new shares to satisfy share option exercises.

Stock option activity under the Plan for the period from December 31, 2015 to December 31, 2017 is summarized as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Grant Date Fair Value
Outstanding at December 31, 2015	452,493	0.08	0.09	14,942
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options cancelled/forfeited/expired	(452,493)	(0.08)	-	(14,942)
Outstanding at December 31, 2016	-	-	-	-
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options cancelled/forfeited/ expired	-	-	-	-
Outstanding at December 31, 2017	-	-	-	$ -
Exercisable at December 31, 2017	-	-	-	$ -

11. COMMITMENTS & CONTINGENCIES

Bonuses

The Company has an employment agreement with its CEO which, among other provisions, provide for the payment of a bonus, as determined by the Board of Directors, in amounts ranging from 15% to 50% of the executive’s yearly compensation, to be paid in cash or stock at the Company’s sole discretion, if the Company has an increase in year over year revenues and the Executive performs his duties (i) within the time frame budgeted for such duties and (ii) at or below the cost budgeted for such duties.

Contingencies

From time to time, we may be involved in routine legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. The ultimate amount of liability, if any, for any claims of any type (either alone or in the aggregate) may materially and adversely affect our financial condition, results of operations and liquidity. In addition, the ultimate outcome of any litigation is uncertain. Any outcome, whether favorable or unfavorable, may materially and adversely affect us due to legal costs and expenses, diversion of management attention and other factors. We expense legal costs in the period incurred. We cannot assure you that additional contingencies of a legal nature or contingencies having legal aspects will not be asserted against us in the future, and these matters could relate to prior, current or future transactions or events.

12. SUBSEQUENT EVENTS

On January 1, 2018 the company issued 1,500,000 of warrants exercisable at $0.01 to various staff as bonuses for worked performed in 2017.

On January 8, 2018, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $37,500. The Purchaser may convert their notes after six months into common shares in the Company at a price equal to $0.002. The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on July 8, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On January 11, 2018, we issued 29,298,875 shares of common stock to an investor for converting $37,500 in debt from a Convertible Note that was issued in the second quarter of 2017.

On January 11, 2018, we issued 14,705,882 shares of common stock to an investor for converting $15,000 in debt from a Convertible Note that was issued in the first quarter of 2017.

On February 16, 2018, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $75,000. The Purchaser may convert their notes after six months into common shares in the Company at a price equal to $0.002. The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on July 16, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On March 8, 2018, we issued 18,421,053 shares of common stock to an investor for converting $28,000 in debt from a Convertible Note that was issued in the third quarter of 2017.

On March 9, 2018, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $100,000. The Purchaser may convert their notes after six months into common shares in the Company at a price equal to $0.002. The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on August 9, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On March 22, 2017, the Company entered into a Convertible Promissory Agreement with an accredited investor. As a result, we issued a convertible note with a total principal balance of $50,000. The Purchaser may convert their notes after six months into common shares in the Company at a price equal to $0.002. The notes bear interest of 12%, no OID, no discount to market or prepayment penalty. The notes mature on August 9, 2018. The notes were issued pursuant to Section 4(a)(2) of the Securities Act of 1933.

On March 27, 2018, we paid off, in cash, two Convertible Promissory Notes totaling $56,000 that were issued in the fourth quarter of 2017, and in return for paying off the notes in cash, the noteholder agreed to a lock up agreement not to convert their last two remaining notes until May 30, 2018.