In general, $M_n(I)$ is a left ideal in $M_n(R)$. However, it need not be a *minimal* left ideal. To construct an example, let $R = M_2(k)$, where k is a field. Take I to be the minimal left ideal $\begin{pmatrix} k & 0 \\ k & 0 \end{pmatrix}$ in R. Then $\dim_k M_n(I) = n^2 \dim_k I = 2n^2$.

However, for $S = M_n(R) \sim M_{2n}(k)$, the unique simple left S-module M has k-dimension $2n$, so $M_n(I) \sim n \cdot M$ as left S-modules. In particular, if $n > 1$, $M_n(I)$ is *not* a minimal left ideal in $S = M_n(R)$. Even more simply, k is a minimal left ideal of k, but $M_n(k)$ is not a minimal left ideal of $M_n(k)$.